MINUTES

210th Plenary Session
North Pacific Fishery Management Council
Anchorage Hilton Hotel, Anchorage, AK

APPROVED: __________________________
DATE: __________________December 11, 2012______________________

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ATTACHMENTS:
1. Public Attendance Register
2. Time Log
3. AP Minutes
4. SSC Minutes
5. Protected Species Report Transcript
6. C-1 Halibut Bycatch Motion
7. C-1 Discussion Transcript
8. D-1 (a) GOA Trawl PSC Motion
9. Newsletter
The North Pacific Fishery Management Council met in Anchorage, Alaska in October 2012. The following Council, SSC and AP members, and NPFMC staff attended the meetings.

Council Members

Eric Olson, Chair
John Henderschedt, Vice Chair
Jim Balsiger
Cora Campbell/Nicole Kimball
Sam Cotten
Craig Cross
Duncan Fields

Dave Hanson
Roy Hyder
Dan Hull
Doug McBride
Bill Tweet
CAPT Phil Thorne/LT Tony Kenne

NPFMC Staff

Gail Bendixen
Sam Cunningham
Jane DiCosimo
Diana Evans
Mark Fina
Peggy Kircher

Steve MacLean
Jon McCracken
Chris Oliver
Maria Shawback
Diana Stram
David Witherell

Scientific and Statistical Committee

The SSC met from October 1st through October 3rd at the Hilton Hotel, Anchorage AK.

Members present were:

Pat Livingston, Chair
NOAA Fisheries—AFSC

Robert Clark, Vice Chair
Alaska Department of Fish and Game

Jennifer Burns
University of Alaska Anchorage

Henry Cheng
Wash. Dept. of Fish and Wildlife

Alison Dauble
Oregon Dept. of Fish and Wildlife

Sherri Dressel
Alaska Department of Fish and Game

Anne Hollowed
NOAA Fisheries—AFSC

George Hunt
University of Washington

Gordon Kruse
University of Alaska Fairbanks

Kathy Kuletz
US Fish and Wildlife Service

Seth Macinko
University of Rhode Island

Franz Mueter
University of Alaska Fairbanks

Jim Murphy
University of Alaska Anchorage

Lew Queirolo
NOAA Fisheries—Alaska Region

Terry Quinn
University of Alaska Fairbanks

Kate Reedy-Maschner
Idaho State University Pocatello

Farron Wallace
NOAA Fisheries—AFSC

Ray Webster
International Pacific Halibut Commission
Advisory Panel

The AP met from October 2 to October 6, 2012 at the Hilton Hotel, Anchorage, AK.

The following (21) members were present for all or part of the meetings:

- Kurt Cochran
- John Crowley
- Julianne Curry
- Jerry Downing
- Tom Enlow
- Tim Evers
- Jeff Farvour
- Becca Robbins Gisclair
- Jan Jacobs
- Alexus Kwachka
- Craig Lowenberg
- Chuck McCallum
- Andy Mezirow
- Matt Moir
- Joel Peterson
- Theresa Peterson
- Ed Poulsen
- Neil Rodriguez
- Lori Swanson
- Anne Vanderhoeven
- Ernie Weiss

Attachment 1 contains the public sign in register and Attachment 2, a time log of Council proceedings, including those providing reports and public comment during the meeting.
A. CALL TO ORDER

Chairman Eric Olson called the meeting to order at approximately 8:06 am on Wednesday, October 3, 2012.

Swearing in of new Council members:
Craig Cross, Ed Dersham, and Dan Hull were sworn in by Dr. Jim Balsiger for the next three year term.

Election of Officers:
Ms. Campbell nominated Eric Olson for Chairman, and John Henderscheidt as Vice Chairman, both for a year term. The motion was seconded, and passed with no objection.

Mr. Bill Tweit participated in the entire meeting in place of Phil Anderson, WDF Director.

AGENDA: The agenda was approved with the change of taking the NOAA Enforcement report directly after the ED report.

B. REPORTS

The Council received the following reports: Executive Director’s Report (B-1); NMFS Management Report (B-2); ADF&G Report (B-3); NOAA Enforcement Report (B-4); USCG Report (B-5); USFWS report (B-6); and Protected Species Report (B-7).

Executive Director’s Report:

Chris Oliver reviewed his written report. He introduced Sam Cunningham, the Council’s new staff member, and discussed various meetings he and staff have attended. Mr. Oliver specifically highlighted Council staff and NMFS’ staff operations and organizational meetings that occurred over the summer. These meetings worked to encourage communication and efficiency both between the agencies and within the organizations.

Gregg Williams (IPHC) briefly summarized the closed halibut areas in the Bering Sea.

Molly McCammon, Director of the North Pacific Research Board, gave an overview the STAMP project, Spatial Tools for Arctic Mapping and Planning. She noted Steve MacLean is part of the steering committee for this project.

Kenny Down and Dave Little of the Freezer Longline Coalition gave an update on two items. First, he noted the hook and line vessels had been allowed to fish inside the Pribilof Islands Habitat Conservation Zone. Mr. Down noted one vessel had Pribilof Island blue king crab and the vessel left the area. By vote of the vessels involved, they voluntarily closed the area for the remainder of the calendar year. The second item was in regard to Greenland turbot and noted that there was a request for a split between fixed gear and trawl split, and as of the date of the meeting, the sectors do not have an agreement in place. Mr. Down stated an agreement may not be possible without guidance and analysis by the Council. He encouraged the Council to put the issue on a future agenda. Mr. Down answered questions from the Council. Council members noted that there is still interest in the sectors developing a solution outside the Council process before make a regulatory fix is necessary.

Todd Loomis from Ocean Peace noted he is one of the AM80 representatives working with longliners to come up with a solution to the Greenland turbot split. He noted that there have been plans in place such as not directly fishing for turbot and avoiding areas of high turbot bycatch. This has allowed the
longliners to continue direct fishing for turbot without closure and impact to the fixed gear sector. He stated that Council action is unnecessary at this point. Mr. Loomis answered questions from the Council members, and it was understood this item will be addressed at staff tasking.

NMFS Management Report
Glenn Merrill briefed the Council on the status of actions FMP amendments. Jennifer Mondragon gave a brief review of the National Bycatch Report which is a new initiative from NOAA HQ. Mary Furuness reviewed the catch reports and the in-season management report. Mr. Merrill noted a few staff changes in NMFS, and emphasized the positive outcome of a recent staff meeting between NMFS and the Council and ADF&G staff, especially as program administration and management become increasingly complex. Ms. Hansen, NMFS, gave an update on the NOAA Habitat Blueprint and answered questions from the Council specifically regarding priorities and/or focus areas.

ADF&G Report
Karla Bush (ADF&G) provided the Council with a review of the State fisheries of interest to the Council and answered general questions from the Council Members. She also gave an update of Board of Fisheries proposals that may be of interest to the Council.

NOAA Enforcement Report
Sherri Meyers gave the enforcement report, noting that staff and support has declined by approximately forty percent, and NOAA Enforcement will be operating with a significantly smaller organization. She noted Ken Hansen and others with “corporate expertise” will be retiring and many services will not be able to be performed because of lack of qualified personnel. Ms. Meyers and Mr. Hansen answered questions from the Council regarding specific programs.

USCG Report
Lt. Tony Keene reported on USCG activities from over the summer, and Capt. Phil Thorne provided brief comments regarding enforcement efforts in the area. Mr. Ken Lawrenson reviewed fishing vessel safety requirements that go into effect this month in October. They answered questions from the Council regarding specific cases.

USF&W Report
Doug McBride, the new representative of USF&W Service gave a brief report on Endangered Species Act issues, specifically noting the recent guidelines for marine vessel operations near Pacific walrus haulouts in Bristol Bay.

Protected Species Report
Steve MacLean introduced Mr. Kurland, who discussed NMFS’s response plan to the Center for Biological Diversity petition to list a number of corals under the ESA, and noted that they have 90 days to issue a listing decision.

The following is also available as a transcript, which is attached to these minutes as ATTACHMENT 5. John Kurland gave a presentation on the CIE reviews of the 2010 BiOp on the effects of the Alaska groundfish fisheries on Steller Sea Lions. Mr. Kurland discussed the process and schedule of the CIE review and its impact on fisheries, noting that none of the results from the CIE review would change current fishery management measures, and whatever management measures are adopted will be implemented in January 2015. Mr. Kurland answered questions from the Council regarding timing and schedule and a variety of other questions specific to NMFS role in the CIE review and biological opinion. There was brief discussion of the role of the Steller Sea Lion Mitigation Committee. Steve MacLean gave an update on the Committee meetings and the recent call for proposals for alternative RPAs. He noted the proposals will be reviewed and forwarded to the Council in December. The Chairman of the
Committee, Larry Cotter, briefly discussed the Committee’s role and answered questions from the Councilmembers.

COUNCIL DISCUSSION/ACTION

The Council took public comment on all B agenda items, and it was generally agreed that any item requiring action will be addressed under the staff tasking agenda item.

C-1 Halibut Bycatch

(a) Final 2011 Sport Halibut Removals
Each October, ADF&G provides final estimates of the prior year’s sport halibut harvests. These estimates are used for managing the charter halibut fisheries in Area 2C and Area 3A. ADF&G staff will present final 2011 sport halibut removals. Projections for 2012 will not be available for the meeting.

(b) Catch Sharing Plan
The Council is scheduled to take a new final action on a proposed Halibut Catch Sharing Plan (CSP) for Areas 2C and 3A at this meeting. The Council identified a need to develop a CSP for the charter and commercial sectors to address conservation and allocation concerns. While the Council selected its Preferred Alternative in October 2008, supplemental analyses of aspects of the Council’s motion were required to complete the analysis for submission to the Secretary. These were reviewed by the Scientific and Statistical Committee, and accepted by the Council, in February 2009. The draft final analysis was submitted to NMFS in September 2009. Recommended revisions from informal reviews by NMFS, and additional revisions of the analyses of the 2008 Preferred Alternative that were requested by the Council, were incorporated into the draft submitted to the Secretary in July 2011. A proposed rule was published in July 2011 and comments were accepted through September 21, 2011.

In September 2011, NMFS informed the Council that additional clarification of policy issues was needed prior to proceeding. In February 2012, the Council reviewed a detailed report by NMFS that included requests for clarification of Council intent on its proposed CSP, and a summary of public comments. The Council requested that the Secretarial Review Draft of the CSP analysis be revised to reflect its clarifications and to respond to public comments. Based on additional information provided by staffs of the Council, NMFS, and ADF&G in April 2012, the Council adopted a new problem statement and revised its previous action (i.e., 2008 PA) by adopting a preliminary preferred alternative (PPA) (which was corrected in June 2012) and additional options for analysis. The Council scheduled a new final action for October 2012. The analysis was distributed on September 12, 2012. The analytical approach originally was approved by the SSC in 2008 and the Secretary for the 2011 public comment period.

There are five proposed alternatives under consideration, and their addition applies a consistent, logical approach to identifying the full range of allocation options and notices the public of potential action by the Council when it selects its Final Preferred Alternative in October 2012.

Jane DiCosimo provided an overview and the schedule of events for the agenda item. She noted that the SSC received a report on methodology and will be giving its review to the Council in the full report. Scott Meyer gave the ADF&G report on the annual sport halibut removals for the year. Gregg Williams from the IPHC discussed changes to the proposal cycle and impacts it may have on Council decision making. Ms. DiCosimo reviewed the EA/RIR/IRFA along with Darrell Brannan who discussed the alternatives for consideration. Lori Swanson gave the AP report, the SSC had given their report earlier, and public comment was heard.
COUNCIL DISCUSSION/ACTION

Mr. Dersham provided a motion which is included as ATTACHMENT 6. He read his motion, and the ensuing discussion and vote is attached in a transcript as ATTACHMENT 7. The motion passed 10/1, with Mr. Cotten in opposition.

C-2 2013/2014 BSAI and GOA Proposed Annual Harvest Specifications

(a) Plan Team Reports

During their meetings on September 11-14, 2012, the BSAI and GOA Groundfish Plan Teams recommended proposed groundfish harvest specifications for 2013 and 2014 and Pacific halibut discard mortality rates (DMRs) for all groundfish fisheries for 2013-2015. The Teams also considered numerous informational reports, including a revised process for developing 5-year research priorities each year. Team recommendations for the next two fishing years are based on rollovers of the published 2013 final harvest specifications, which were adopted by the Council in December 2011.

(b) Proposed Harvest Specifications

The Council is scheduled at this meeting to recommend proposed BSAI and GOA groundfish harvest specifications for the next two-year period for the sole purpose of notifying the public of likely outcomes for Council action to set final harvest specifications in December 2012. Following this practice, 2013 harvest specifications were published in the Federal Register in March 2012 and will start the groundfish fisheries in January 2013. Proposed harvest specifications for 2014 will be adopted at this meeting and are set equal to the 2013 harvest specifications. Any proposed Prohibited Species Catch (PSC) limits for halibut, red king crab, Tanner crab, opilio crab, and herring and their gear type and target fishery apportionments, should be adopted by the Council at this meeting so that the final rule, based on final harvest specifications from December 2012, is a logical outgrowth of the proposed rule. Final harvest specifications will be based on stock assessments included in the respective Stock Assessment and Fishery Evaluation Reports for the BSAI and GOA, which will be released in late November 2012.

Bering Sea/Aleutian Islands The BSAI Plan Team recommendations for proposed 2013/2014 BSAI groundfish harvest specifications are included in the action memo. Final BSAI harvest specifications include PSC limits for halibut, red king crab, Tanner crab, opilio crab, and herring and their gear type and target fishery apportionments, which are set in federal regulations. NMFS staff will be available to assist the Council in adopting proposed PSC limits for 2013/2014.

Gulf of Alaska The GOA Plan Team recommendations for proposed 2013/2014 GOA groundfish harvest specifications are included in the action memo. Since 1997, the Council has reduced the GOA Pacific cod TAC to account for removals of not more than 25 percent of the Federal Pacific cod TAC from the State Guideline Harvest Level fisheries. Using the area apportionments of the proposed 2013 Pacific cod ABC that was recommended by the Plan Team, the 2013/2014 Federal TACs for Pacific cod would be adjusted as listed below. The halibut PSC apportionments recommended based upon the 2012 apportionments for the Gulf of Alaska groundfish fisheries are shown below. The 2,000 mt halibut PSC limit is reduced by 27 mt reduction per Rockfish Program GOA. Salmon PSC limits are set in regulation.

Jane DiCosimo gave the staff report on the Joint and BSAI Groundfish Plan Team and its recommendations and harvest specifications. She highlighted changes to selected stock models and author evaluations and noted changes in timeline. Dr. Diana Stram gave the GOA Groundfish Plan Team report and recommendations and harvest specifications for the upcoming cycle 2013-2014. Dr. Stram
discussed methodologies and issues related to recruitment and the groundfish workgroup’s recommendations on these to the Plan Team authors.

Ms. Stram and Ms. DiCosimo answered questions from the Council. Gregg Williams of the IPHC answered questions regarding the Halibut Discard Mortality Rates. Becca Robbins Gisclair gave the AP report, and the SSC had given its report earlier. Public comment was heard.

COUNCIL DISCUSSION / ACTION

Mr. Tweit moved, which was seconded, to adopt the proposed GOA groundfish specifications for OFLs and ABCs as recommended by the Plan Team in item C-2(b) of the action memo, and set TACs equal to ABC for all species except GOA Pacific cod, which would be adjusted as shown on the bottom of page 3 of the action memo. Additionally, set the 2013 and 2014 annual and seasonal Pacific halibut PSC limits and apportionments in the Gulf of Alaska as provided in the tables on pages 4-5 of the action memo.

Further, the Council adopt the proposed Pacific halibut discard mortality rates for the 2013-2015 CDQ and non-CDQ groundfish fisheries off Alaska as shown in Table 8 on pages 5-6 of the action memo.

Mr. Tweit moved, which was seconded, to adopt the proposed BSAI and GOA groundfish specifications for OFLs and ABCs as recommended by the Plan Team in item C-2(b) of the action memo, and set TACs as in the Council recommendations of December 2011.

Finally, Council adopt the PSC apportionments of Pacific halibut, crabs and herring for the Bering Sea/Aleutian Islands groundfish fisheries in 2013 and 2014 as provided in Tables 8a, 8b, 8c and 8d on pages 2-3 of the action memo.

Mr. Tweit spoke to his motion, noting that the Council recommends proposed BSAI and GOA ABCs and TACs at this meeting for the sole purpose of notifying the public of likely outcomes in setting the final specifications in December 2012. Following this practice the 2013 harvest specifications have been published and used to start the fisheries for the following year. This allows the Council to deliberate using information from the entire year and from the Plan Team and SSC process.

Mr. Tweit noted that he added the word “proposed” in referring to the halibut DMRs, which will allow the Council to deliberate in December, and allow public scrutiny and public comment on mortality rates. The motion passed without objection.

Mr. Tweit also noted he is looking forward to additional discussion during staff tasking on the stock structure template, and that the Washington Department of Fish and Wildlife do not have an appointment yet to fill the vacancies on the plan teams.
**C-3 Observer Program**

**BACKGROUND**

(a) Review NMFS report on Observer Deployment Plan

The Council is scheduled to review the 2013 Annual Deployment Plan at the October meeting. While a draft version of the deployment plan was released in early September, the draft focused primarily on the methodology for developing the deployment plan, and the final version, which will also include the proposed deployment rates for 2013, will be available by the time of the Council meeting.

The purpose of the deployment plan is to identify how NMFS will conduct science-driven deployment of observers into fishing operations conducted on vessels and plants within the “restructured” portion of the fleet, to meet NMFS’ data needs. The document follows the proposed plan to deploy observers, as presented to the Council at their April and October 2010 meetings. The goal of the 2013 deployment plan is to address the data quality concern expressed within the Council’s 2010 problem statement; i.e., to achieve a representative sample of fishing events, and to do this without exceeding available funds.

NMFS has prepared an outreach plan for observer restructuring implementation.

(b) Review OAC report

The Observer Advisory Committee (OAC) met September 17-18 in Seattle. The two primary tasks for the Committee at this meeting were to review the 2013 annual deployment plan and provide feedback and recommendations to the Council; and secondly, to provide recommendations about how electronic monitoring (EM) will function as a component of the restructured program. The Committee highlighted seven recommendations to the Council on the deployment plan. While some of these items require clarification for implementation in 2013, others are major issues that need to be evaluated over the next 12-18 months. It is not intended that these recommendations delay implementation of the program for 2013. Additionally, the report identifies three recommendations on EM, relating specifically to the 2013 pilot project and also to a longer-term strategic vision for EM.

(c) EM presentation on ALFA project

Dan Falvey will present a report on the second phase of the halibut fleet’s pilot electronic monitoring program, which tested the logistical challenges of installing camera units on different types of vessels within the fleet.

Martin Loefflad and Dr. Craig Fauntz presented the Observer Deployment Plan and answered questions from the Council. Mr. Loefflad noted for the Council that the contract for observer coverage has been awarded to AIS Incorporated, and a second contract to Saltwater, Inc. has been awarded to develop and implement electronic monitoring. Jennifer Mondragon also reported on parts of the plan, and discussed how it would fit with existing management measures. Farron Wallace gave a presentation on the proposed electronic monitoring program. Diana Evans gave the report from the Observer Advisory Committee. The Council had an opportunity to have questions answered throughout the presentations. The SSC had given its report on this agenda item earlier, and the AP gave its report. Public comment was heard.

**COUNCIL DISCUSSION/ACTION**

Mr. Hull moved, which was seconded by Mr. Fields, the following:

The Council recommends that the 2013 ADP be revised to reflect a priority for monitoring vessels managed under PSC limits in the trip selection pool. The Council recognizes that this would
necessarily modify the equal probability sampling design such that higher observer coverage rates are provided in the trip selection pool, and lower rates in the vessel selection pool, compared to what is currently in the draft ADP.

The Council also asks NMFS to reconsider the continuous 3-month deployment for selected vessels in the vessel selection pool. NMFS should implement a 2-month deployment for selected vessels.

The Council requests that NMFS provide a strategic planning document for EM that identifies the Council’s EM management objective of collecting at-sea discard estimates from the 40’ – 57.5’ IFQ fleet, and the timeline and vision for how the EM pilot project in 2013 and future years’ projects will serve to meet this objective, including funding.

The Council forwards the following AP recommendations:

The Council requests that NMFS and the BSAI Pacific cod catcher vessel trawl fleet work together to develop a mechanism to allow 100% observer coverage for the 2013 season, with the additional costs to be borne by the vessel owners.

The Council also recommends that all trawl fleets in the GOA have the option to voluntarily carry 100% observer coverage at some time in the season with additional costs to be borne by vessel owners.

1. <Outreach> Recommend that NMFS clarify how a release from observer coverage is granted, if the observer provider is unable to provide an observer.

2. <Outreach> Recommend that NMFS reconsider the timing requirements for requesting a release from observer coverage, and inspecting a vessel that has made that request.

3. <First year review> Recommend that NMFS consider that vessels in the vessel selection pool should either have the option to go into the trip selection pool OR all vessels should be in the trip selection pool.

4. The Council reaffirms its intent that crew members should not be displaced by the requirement to have an observer onboard.

5. <First year review> Recommend that the difference between coverage in the vessel and trip selection pools be evaluated.

7. <First year review> Request that NMFS provide information on catcher vessels that operate as catcher processors for a portion of the year.

9. <First year review> Recommend that NMFS insert cost effectiveness measures into the deployment plan, to prevent expensive deployments to remote areas for insignificant amounts of catch.

10. <First year review> Request that NMFS report to the Council on whether there are issues related to observer availability as a result of this program.

11. <Outreach> Clarify the procedure for releasing and acquiring observers for vessels that turn around trips on a short notice.

Mr. Hull spoke to his motion noting that the process for developing and implementing the restructured program is working the way it was intended. NMFS is responsive to changing circumstances, and working with the OAC and public.
Mr. Hull spoke to the new priority, saying the Council has specific management concerns regarding PSC which will need to be addressed in the framework of a sound deployment plan. The current motion does not specify specific fisheries, or levels of coverage, but does expect there will still be coverage in the previously unobserved fleet. He noted this is the Council’s opportunity to review the deployment plan, and chance to comment on how it will work in order to implement the program by 2013.

With respect to the change in the length of the deployment period in the vessel selection pool, Mr. Hull noted that outreach is important to get the support of the fleet that has previously been unobserved, and if there is too rigid a structure and too many additional expenses, it may detract from the success in the first year.

He went on to address #4 in his motion, noting that he is not trying to set criteria for NMFS, but rather to provide guidance in the review of vessels in the vessel selected pool. In #7, he noted that it may be premature to address a particular sector or few vessels, but that NMFS should report back in the first year.

Mr. Hull answered questions and clarified portions of the motion for the Council, particularly in relation to the new PSC priority. He spoke to the acceptable level of coverage for the vessel selected pool, noting that the agency will need to consider how low the rate can be but still be acceptable in terms of providing information that is needed in stock assessment and catch accounting. It was clarified that under this motion, observer days would move from the vessel selected pool to the trip selected pool.

There was general discussion on the timeline, and clarifications from the Council in regard to NMFS’ timing and ability to adjust to the changes the Council may want to include. There were questions regarding performance measures, and Mr. Loefflad suggested that performance measures would logically come from the first year’s data.

Discussion continued with questions regarding electronic monitoring. Mr. Hull noted that specifically the motion is addressing at-sea discards, but does not preclude NMFS from bringing forward other uses of EM.

Mr. Henderschedt moved, which was seconded, to strike each case where it states EM in the 3rd paragraph of the motion. The new paragraph would read: The Council requests that NMFS provide a strategic planning document that identifies the Council's management objective of collecting at-sea discard estimates from the 40’ – 57.5’ IFQ fleet, and the timeline and vision for how future years’ projects serve to meet this objective, including funding. Mr. Henderschedt spoke to his motion noting his concern at how tools get confused with objectives. The Council should be disciplined as to how they refer to this process within the program. His objective is to collect data, and one tool is EM.

Ms. Campbell noted that the Council has repeatedly heard that the small boat preference has been for EM to gather data and the Council identifies that it has placed a priority on using EM. She also noted that by putting this in the motion, the Council has an interest in seeing EM move forward to achieve the goals the Council has already endorsed, as well as asking how NMFS is going to achieve that.

The amendment failed 3/8, with Henderschedt, Hyder, and Cross voting in favor.

Mr. Cotten moved, which was seconded by Mr. Fields, to add a bullet which states: Recommend that NMFS report to the Council on other EM options that may be appropriate to supplement or replace human observers.

Mr. Cotten spoke to the motion noting that he heard other comments in public comment regarding EM. He worded the motion generally so that it reminds NMFS the Council has continued interest in using EM.
in any form to supplement human observers. There was brief discussion regarding the broad nature of the amendment, and it was noted that Mr. Cotten was trying to cover all vessel sizes and fleets. **The motion passed without objection.**

Mr. Fields moved, which was seconded, to add a bullet to read: Council requests NMFS, in its first year review, identify detailed programmatic costs, and in addition, identify possible cost reductions as they relate to possible programmatic and deployment options.

Mr. Fields spoke to his motion, noting that the cost issue is very important and needs to be in the motion. He clarified that the motion is not intended to conflict with existing reporting requirements. **The motion passed without objection.**

Mr. Tweit moved, which was seconded by Mr. Fields, that the Council request the OAC and NMFS provide a discussion of recommended performance measures for this program. Mr. Tweit noted that there has been a need for this established by the SSC, and it would be beneficial to have a discussion about what performance measures would be measurable and achievable. It was suggested to have it on the OAC agenda at the next meeting. **The amendment to the motion passed without objection.**

Discussion continued on the amended main motion. Mr. Henderschedt noted that while he will not be supporting the main motion, he shares the vision with Mr. Hull on where the program can and will go, the only difference being how to get there in early years. He thanked those that worked on the motion, and stated that the most important issue is the Council’s ability to make smart, informed decisions on how best to deploy a limited array of resources and assets. He does support the design of the plan as well as the objective of collecting baseline data.

Mr. Fields stated his support of motion and has an overarching cost concern relative to program. He is concerned about the program’s ability to adapt in the first years of deployment and that it will take a while to assess the observer effect on new behaviors that occur in program. Additionally, he noted his concern about observer coverage in some of the fisheries, including the GOA trawl fisheries. The Council is reducing coverage on this fleet while at the same time the fleet is increasing effort in anticipation of a rationalization program. Observers on vessels constrain or restrict fishing behaviors. He continued, noting that it is very important to appreciate observer presence and the impact on the fishery. NMFS has made adjustments but they do not adequately address his concerns. He will support the motion because he feels it is a step in right direction.

Mr. Fields emphasized it is imperative that all work together to reduce the cost of the program and he remains concerned about high costs in the future. He noted that assessing the fleet at the rate of $800 a day for an observer is not good, and he hopes it can be substantially reduced.

Ms. Campbell stated she will be supporting the motion. She also noted that the daily rate was surprising, but it should not be forgotten that this program is a substantial improvement over the old program. There will be more observer days, fisheries are covered that haven’t had coverage before, and NMFS taking over deployment to relieve observer bias. She noted that Mr. Hull’s motion strikes the correct balance for Council input and the staff and agency can iron out the details. She noted that with this motion, the deployment plan has been re-aligned with the Council’s original objectives of slow implementation for the vessels that will be entering the program for the first time.

Mr. Tweit doesn’t believe that the observer program should be used as a tool to influence behavior of fishers, and that perception should not be encouraged among the fleet. He stated his beliefs that it is a significant improvement over the old program. He thanked the work of NMFS in navigating Council
expectations and keeping the program on track. He looks forward to working with the various staffs on other parts of the motion, such as EM.

Mr. Hyder noted that while he will vote against the motion, he supports the observer program. He stated his uneasiness about the first paragraph regarding priorities and that the Council doesn’t specify where priority fits, or what its expectations are. Mr. Hyder thanked Mr. Hull and thanked staff for putting the program together.

Mr. Balsiger noted he had similar concern with the first paragraph also, and noted his agreement with the Commissioner’s comments. He noted his support for the motion, and thanked his staff.

The motion passed 8/3, with Hyder, Henderschedt, and Cross objecting.

Chairman Olson noted the Council will address timing under staff tasking.

**C-4 Steller Sea Lion Issues**

Melanie Brown gave an update on the scoping comments received and a report on the process of the scoping meetings for the SSL EIS. She answered questions from the Council. Steve MacLean and Larry Cotter gave an update on the Steller Sea Lion Mitigation Committee’s scoping comments. The AP gave its report, and the SSC had given its report earlier. Public comment was heard.

COUNCIL DISCUSSION/ACTION

Mr. Tweit requested to have the SSL presentation made available to Council. There were brief questions of staff.

Mr. Tweit moved, which was seconded, the following:

With regard to scoping for the SSL EIS, the analytical approach, and related actions the Council moves the following:

The Council notes that all three of the CIE reviewers found that: 1) the conclusions of the 2010 BIOP are not supported by scientific evidence and are largely based on qualitative statements, opinions, and speculation rather than science; 2) the determination of jeopardy and adverse modification is not compelling or supported by the scientific record; 3) there is no evidence for the hypothesized indirect effects of fishing on SSL prey species; and 4) the RPA measures are not warranted, will have no positive effects on SSLs and have little utility as an adaptive management experiment.

Further, the Council also notes that the CIE reviewers’ conclusions on the lack of scientific basis for the conclusions of the 2010 BIOP are in agreement with the conclusions reached separately by the Independent Scientific Review Panel (convened by the States of Alaska and Washington). Thus, there have been two independent scientific reviews conducted by 7 independent scientists that have reached largely similar negative conclusions and critical findings regarding the 2010 BIOP and the RPAs stemming from it. This overwhelming expert criticism of the BIOP assumptions and bias constitutes new information providing the basis for NMFS to reinitiate consultation to reconsider its findings.
NMFS’ statements at this meeting that it does not intend to take action in the near-term to modify the current RPA are inconsistent both with its prior statements of intent, and the CIE reviewers’ conclusions that the current RPA measures are not warranted and will not have positive effects on SSLs. We believe NMFS should exercise its discretion to expeditiously reconsider its conclusions in the BIOP and the RPA. Given the conclusions of the CIE review, the Council recommends that NMFS:

1. Take appropriate regulatory action to vacate the management measures implemented by the interim final rule in time for the 2013 fishery and revert to 2001 measures except where no longer appropriate (e.g. HLA regulations with 178 degrees west line and platooning),

2. Adopt an expedited schedule for completion of the EIS so that it supports the completion of rulemaking for a final rule with new final management measures such that these measures can be fully in place for start of the 2014 fishery.

3. Concurrent with the expedited EIS process, immediately re-initiate consultation with regard to Central and Western Aleutian Islands, and prepare a supplemental Biological Opinion that incorporates the findings and recommendations of the CIE review and Independent Scientific Review Panel. These findings substantially change what is the best scientific information that is now currently available, and the new supplemental Biological Opinion should reflect this new information as it reconsiders the jeopardy and adverse modification determinations for groundfish fisheries in the Aleutian Islands.

4. In light of the continuing overall growth of the western DPS of SSLs and the findings of the two independent scientific review panels, the Council recommends the following as part of the EIS scoping process:

a) The range of alternatives analyzed should include: Alternative 1 would be the 2010 interim final rule; Alternative 2 would be the regulations and RPAs in place prior to adoption of the 2010 interim final rule adjusted to take into account changes in fishery management that have been implemented since 2003 (Amendment 80, etc.); and Alternative 3 has the Alternative 2 regulations with reductions in the pollock closures in the central and western Aleutians. The Council notes that the SSLMC will be working on additional alternatives that may be appropriate to include in the EIS.

b) The recommendations of the SSC and the SSLMC report on scoping should be fully addressed.

c) The EIS analysis should fully incorporate the critiques and recommendations made by the CIE review reports from Dr. Bowen, Dr. Stewart, and Dr. Stokes and the Independent Scientific Review Panel report of October 8, 2011.

d) The EIS should address and respond to public comment received on the draft 2010 BIOP and the public comment received on the interim final rule.

The Council believes these actions are necessary to restore public confidence in the quality, validity, and reliability of NOAA science as well as the management and regulatory process.

Mr. Tweit spoke to his motion, noting that this item is regarding NEPA, not ESA, but they are interrelated and the Council needs to address its perspective regarding ESA in order to put its comments into context.

He commended NMFS for acknowledging the independent reviews, but remains disappointed at the disconnect of management measures. Mr. Tweit continued, noting that this is an opportunity to expedite
relief for fishing fleets now that the science has indicated it is highly uncertain that fishing practices have effects on SSL, but has had negative impact on the fishing fleet and communities.

He encouraged NMFS to examine standards that find jeopardy or other adverse modification decisions in context of other agencies’ biological opinions and situations. Mr. Tweit noted that he did not specifically mention the alternative RPA package for 2010 opinion, but wants the SSLMC to examine to see if elements can be re-evaluated or crafted into another alternative.

There were questions relating to the procedure, and Mr. Tweit noted that the Council cannot ask NMFS to vacate the entire biop; it is too broad and covers a number of species, marine mammals, and fisheries, as well as elements that haven’t been challenged. However, the Council is asking if there is a way for NMFS to vacate the interim final rule. Mr. Tweit emphasized that he is not intending to shortcut or circumvent opportunities for public comment or Council input, but rather to expedite the process.

There were questions of closures, and Mr. Tweit specifically identified the pollock fishery nearest Adak. He noted the SSLMC would review those that most clearly have the largest negative economic impact.

Mr. Fields thanked Mr. Tweit for his motion stating that concerns were addressed directly and positively. Mr. Fields noted that there have been many differences of opinion, and he would like the motion to be a statement to NMFS that the Council has been through a review process already, and should consider the CIE review.

Mr. Balsiger assured the Council that NMFS is using the CIE review, has not discarded it and is not taking a position. NMFS is committed to an open process, and accepting the CIE review comments is part of the process.

Mr. Tweit wanted to emphasize the recommendations of the SSC are included, along with the SSLMC comments, not just the scoping comments.

The motion passed with Mr. Balsiger objecting.

C-5 (a) Amendment 80 Vessel Replacement with AFA Vessels

BACKGROUND
During staff tasking at the June 2012 meeting, the Council asked staff to prepare a discussion paper examining the legal provisions and potential impacts regarding the use of AFA vessels as Amendment 80 replacement vessels. The final rule implementing the Amendment 80 vessel replacement action (Amendment 97) prohibits the use of AFA vessels as replacement vessels, which is consistent with the Council’s understanding at the time Amendment 97 was adopted by the Council. During the B reports at this June meeting, NMFS informed the Council that it re-examined the Capacity Reduction Program legislation and the decision in Arctic Sole Seafoods v. Gutierrez. Based on that re-examination, NMFS determined that the Capacity Reduction Program did not prohibit use of AFA vessels as Amendment 80 replacement vessels. It was agreed by the Council that a brief review of NMFS’ interpretation of the Capacity Reduction Program legislation would help the Council better understand this issue. In addition, the discussion paper would be helpful for the Council as well as the affected sectors to better understand the economic impacts and how AFA sideboards might apply, if the Council wanted to explicitly permit the use of AFA vessels as replacement Amendment 80 vessels.
The Council could decide not to take any action, in which case AFA vessels would be prohibited for use as Amendment 80 replacement vessels or the Council could initiate an analysis of options that would allow the use of AFA vessels as Amendment 80 replacement vessels.

Glenn Merrill gave the staff report on this agenda item. He reviewed the discussion paper and answered questions from the Council. The AP gave its report, and the SSC did not discuss this issue. Public comment was heard.

COUNCIL DISCUSSION/ACTION

Mr. Henderschedt moved, which was seconded by Mr. Cross, that the Council adopt the following:

Purpose and Need:
During its development of Amendment 97, the Council was advised by NOAA General Counsel that the Capacity Reduction Program legislation prohibited AFA catcher/processors from serving as Amendment 80 replacement vessels. Accordingly, the Council did not consider that option. NOAA GC recently revisited the issue and concluded that AFA catcher/processors may serve as Amendment 80 replacement vessels. Because that revised opinion is contrary to the advice given to the Council at the time it took final action on Amendment 97, NMFS has included a provision in the Amendment 97 Final Rule prohibiting AFA catcher/processors from serving as Amendment 80 replacement vessels.

At its June 2012 meeting, the Council requested a discussion paper from NMFS on the issue. NMFS presented its paper at this meeting. In the paper, NMFS observes that allowing AFA catcher/processors to serve as Amendment 80 replacement vessels could improve safety and efficiency in, and reduce the capacity of, the Amendment 80 fleet in less time and at lower cost than new construction. NMFS also recognizes the concerns of current Amendment 80 participants about the potential effects of allowing AFA catcher/processors to operate in the Amendment 80 sector. NMFS notes that it does not have enough information at this time to adequately assess the potential benefits and concerns associated with AFA catcher/processors serving as Amendment 80 replacement vessels.

Because of the significance of this issue to participants in the Amendment 80 and AFA sectors, move that Council staff analyze the following options:

1) Status quo – continue the prohibition on AFA catcher/processors serving as Amendment 80 replacement vessels.

2) Allow AFA catcher/processors to serve as Amendment 80 replacement vessels –
   a. On an annual basis or one-time permanent election;
   b. Subject to all AFA sideboards except for BSAI harvesting sideboards on species and PSC allocated to the Amendment 80 sector.
   c. Subject to all other regulations applicable to Amendment 80 vessels.

Mr. Henderschedt stated the discussion paper notes potential impacts to vessels and protections. Had the present legal opinion of the capacity reduction plan been intact, the Council may have considered a broader range of alternatives under Amendment 97. He continued, stating the discussion paper also identifies numerous impacts, but does not analyze the likelihood or severity of impacts.

He identified the following issues:
1. Do AFA sideboards serve a role beyond protection of non-AFA participants in non-rationalized fisheries?
2. Is it the role of the Council to regulate competition in markets as opposed to competition among fishers in the harvest of managed species?
3. How is the Council’s responsibility to the consumer balanced against concerns of competition between lower and higher cost producers?
4. What is the Council role in regulating the flow of capital and transfer of assets among and between participants in rationalized fisheries?
5. How does NS 5 inform or constrain potential council action on this issue?
6. Should the Council address potential consolidation of assets across sectors, and if so, how?

Mr. Henderschedt specifically stated the impacts are likely and potentially adverse and the Council should analyze and evaluate action on this issue. He thanked the public for their testimony.

Mr. Cross noted that this issue has not been analyzed fully, as signified by the nature of public testimony. Many items should have been discussed and reviewed, especially in regards to the National Standards. He requested it to be on the agenda at a later date.

Mr. Balsiger noted this is a Council issue and is appropriate for the Council to analyze.

Mr. Tweit thanked the Council for the level of discussion on this issue, but noted the two choices are poor, and that the Council should clarify how far their authority does, and should reach. He noted the Council’s obligation be on conservation, and management practices or tools, not on free-market issues. He stated his concern of the Council’s workload and priorities, and because this issue does not address management tools or conservation concerns, he will be opposing the motion.

Mr. Hull thanked Mr. Tweit for his comments, and although he notes that what the AFA fleet is requesting is problematic, process and obligation is important, and he will vote against the motion.

Mr. Dersham noted he appreciated the Council comments. He noted that while the issue should be on the radar, but does not deserve priority.

Mr. Fields is concerned that if the Council decides to pass the motion, but isn’t prioritized, sectors can make capitalization plans. He will oppose the motion.

The motion passed 6/5, with Hull, Tweit, Cotten, Fields, and Hyder in opposition.

C-5 (b) AFA Vessel Replacement

BACKGROUND
On October 12, 2010, the Coast Guard Authorization Act of 2010 was signed into law. Section 602 of the Coast Guard Act addresses the replacement and removal of vessels eligible to participate in the Bering Sea pollock fishery under the American Fisheries Act (AFA). To assist in understanding the implications of the Act, the Council requested staff prepare a discussion paper on the Act and its potential impacts on the GOA groundfish fisheries. That discussion paper was provided to the Council at its February 2012 meeting. After review the discussion paper, the Council developed a purpose and need statement and alternatives intended to prevent increased participation in the GOA groundfish fisheries by vessels replaced under the Coast Guard Act. Based on the purpose and need statement and alternatives provided by the Council, an initial review draft RIR/IRFA analysis was prepared for review by the Council at this meeting. The draft analysis was mailed to you on September 19th.
Mark Fina gave the staff report on this agenda item and answered questions from the Council. The AP gave its report, and there was no public comment on this issue. The SSC had given their comments earlier.

COUNCIL DISCUSSION/ACTION

Dr. Fina noted that the staff will take the SSC comments into account for the next draft of the analysis. Mr. Henderscheidt remarked that that comments can be addressed very simply and that all the questions in the narrow range of options may not be addressed. Dr. Fina noted that considerations will be included to the extent possible.

C-5 (c) FLL MLOA Adjustment

BACKGROUND

The analysis evaluates a change to criteria, in order to allow owners of Bering Sea / Aleutian Islands (BSAI) freezer longline (hook-and-line catcher processor) vessels that fish for Pacific cod, to replace or rebuild their vessels to a length greater than that specified under the restrictions of the License Limitation Program (LLP) and the American Fisheries Act (AFA). Specifically, the Council considers first, to adjust the maximum length overall (MLOA) specified on the License Limitation Program (LLP) license assigned to these freezer longline vessels, to accommodate larger replacement vessels. Originally implemented in 2000, each LLP license is endorsed for management areas, catcher vessel and/or catcher processor operation type, and the Pacific cod fixed gear target fishery, and specifies an MLOA for licensed vessels. The MLOA for the license was based on the length of the vessel initially receiving the license.

Secondly, the analysis also considers allowing freezer longline replacement vessels that exceed 165 feet in length, or more than 750 gross tons, or with engines capable of producing more than 3,000 shaft horsepower to enter the groundfish fishery. Regulations at 46 U.S.C. 12106(c) (6) limit vessels greater than 165 feet in length, or more than 750 gross registered tons, or with engines capable of producing more than 3,000 shaft horsepower from entering fisheries unless the vessel carried a fisheries endorsement prior to September 25, 1997, or the Council has recommended and the Secretary of Commerce has approved a conservation and management measure to allow the vessel to be used in fisheries under its authority.

The Council reviewed an initial review draft of this analysis in June 2012, and made modifications to the problem statement and alternatives. There are two alternatives to the status quo considered, and accompanying options. The Council also selected a preliminary preferred alternative (PPA). Under the PPA, which is represented by Alternative 3 plus Options 3.3 and 3.4, the MLOA for all 37 freezer longline LLP licenses would be adjusted to 220’, and the FMP would be amended to authorize vessels named on these licenses to receive a certificate of documentation as “large vessels” under the MARAD regulations. However, for three qualifying LLP licenses that are also endorsed for BSAI or GOA pot cod fisheries, the LLP holder would have 36 months to decide whether to accept the larger MLOA and relinquish the pot cod endorsements, or keep the original MLOA and retain the pot cod endorsements.

Diana Evans gave the staff report on this agenda item and answered questions from the Council, specifically noting in detail the changes from the last version as this was final action. She also introduced Dr. Jennifer Lincoln and Marty Teechow from National Institute of Occupational Safety and Health (NIOSH) who gave an overview of safety aspects of the vessel replacement program. Dr. Lincoln
thanked the Council and staff for requesting safety reviews whenever appropriate for Council action. The AP gave a brief report, and the SSC did not address the issue. Public comment was heard.

COUNCIL DISCUSSION/ACTION

Mr. Cross moved, which was seconded, to take final action and move forward with Alternative 3 as the preferred alternative, with options 3.3 and 3.4:

**Alternative 3:** The MLOA requirements on LLP licenses with catcher processor and hook-and-line Pacific cod endorsements for the BS or A1 would not apply and the Council recommends that vessels named on these LLP licenses be authorized for use in the EEZ under the jurisdiction of the North Pacific Fishery Management Council, which is intended to clarify that these vessels are eligible to receive a certificate of documentation consistent with 46 U.S.C. 12113(d) and MARAD regulations at 46 C.F.R. 356.47

- **Option 3.3 (PPA)** The MLOA on LLP licenses with catcher processor and hook-and-line Pacific cod endorsements for the BS or A1 would be modified to 220’ MLOA.
- **Option 3.4 (PPA)** Owners of LLP licenses with catcher processor and pot cod endorsements will have 36 months from the implementation of this action to either surrender the pot cod endorsements and receive a LLP license at 220’ MLOA or the current LLP length restriction would continue to apply.

Mr. Cross spoke to his motion, noting the revised problem statement, which allows for improved vessel safety, to allow the sector to meet and build to international loadline requirements and economic efficiency as needed in National Standard 5. Additionally, it allows the fleet to use new technology, to reduce bycatch, to increase ability to meet EPA waste issues, and is the recommendation the Council’s Advisory Panel.

He noted that status quo was not chosen because vessels need to be safer, and LOA 220’ is the needed length to get the maximum efficiency out of the vessels.

Mr. Tweit moved to amend the main motion, and was seconded, to note that the Council deems proposed regulations that clearly and directly flow from the provisions of this motion to be necessary and appropriate in accordance with section 303(c), and therefore the Council authorizes the Executive Director and the Chairman to review the draft proposed regulations when provided by NMFS to ensure that the proposed regulations to be submitted to the Secretary under section 303(c) are consistent with these instructions. Mr. Tweit spoke to his motion and noted that the Council normally chooses to let the Executive Director and Chairman to review the regulations and alert the Council should there be any items of concern. The amendment passed unanimously.

Ms. Kimball noted that while vessels can be replaced under the status quo, the motion improves production efficiency and address safety concerns. She noted the MLOA was developed 20 years ago to limit capacity but is no longer needed as direct allocation and other capacity reduction measures have been put in place. The benefits could be substantial and directly address National Standard 10. The council is aware that there are two vessels in the G OA with FLL endorsements that may be affected, but a more effective mechanism for protection is the co-op arrangement that is being developed.

In a moment of levity, Mr. Cross’ first motion as a Council member failed unanimously by roll call vote, much to Mr. Cross’ surprise. It was moved to reconsider, which passed unanimously, and the amended main motion passed unanimously by roll call vote.
C-6 (a) Rights of First Refusal (ROFR) revisions initial review

BACKGROUND
Under the crab rationalization program, a community that meets certain thresholds for historical processing received rights of first refusal on transfers of processing shares derived from processing that occurred in that community. Over the course of several meetings, the Council has considered an action to amend the rights of first refusal to make those rights more effective. At its April 2012 meeting, the Council directed staff to prepare an analysis of alternatives for initial review at this time.

Mark Fina gave the staff report on this issue, specifically noting the purpose and need statement. He answered questions from the Council. Lori Swanson gave the AP report, and the SSC had given its report earlier. Public comment was heard.

COUNCIL DISCUSSION/ACTION

Mr. Tweit moved, which was seconded by Mr. Cotten, that the Council move the Modifications to Community Provisions forward for public review and set for final action in December with the following changes:

- In the Purpose and Need Statement, replace the phrase “holding between 20 percent and 50 percent of the PQS” with the phrase “hold substantial portions of the PQS in each rationalized fishery.”
- The Purpose and Need Statement should also be amended to identify the need to improve notices of transfers.
- Under Action 2, Alternative 3, remove Option 1 & Option 2
- Add an additional notice to Action 5: To NMFS, as part of the annual application for IPQ, certification of a current ROFR agreement in place with the community/entity.

Mr. Tweit spoke to his motion, noting that this is the outcome of a long process. ROFRs are an important part of the crab rationalization program, and have accomplished much. However, there are aspects of ROFR that can be strengthened and industry has worked with communities to review and provide input to for the changes. Mr. Tweit stated he is pleased to move to final action in December. Mr. Tweit briefly answered questions from the Council.

Mr. Fields confirmed the SSC comments would be included in the final action.

Mr. Cotten moved, which was seconded by Mr. Henderschedt, to add additional options (on page 5 of the paper) of 30 days to each of the numbered days. (For example, 10 with an option of 40, 20 with an option of 50). He spoke to his motion noting that this is in response to staff comments that it will give the Council additional options to consider a lengthier period should they choose that particular alternative. Amendment passed without objection

Mr. Cotten moved, which was seconded by Mr. Fields, to amend the purpose and needs statement and add an alternative to read:

At least one PQS transfer is believed to have occurred without the right holder (Aleutia Corporation) being informed of the transaction, denying that right holder of the ability to exercise its right of first refusal to acquire PQS as intended by the program. This lack of notice allowed the transfer of PQS to a party other than the right holder and the movement of the processing to another community. Providing that right holder with a direct allocation of PQS could mitigate the negative impacts arising from that transaction. In addition, providing for notice of the location of
use of IPQ and transfers of PQS to right holders could prevent similar circumstances from arising in the future and make the right more effective in protecting communities’ historical interests in processing and ensure and ensure that community entities are better able to assert their interests as provided for by the right.

**Alternatives**
The Council requests staff to analyze the following alternatives:

1) Status quo
2) Bristol Bay red king crab PQS shall be allocated to Aleutia Corporation in an amount that would result in that corporation receiving 0.55 percent of the PQS in that fishery. This allocation would be made exclusively from newly issued PQS.

Mr. Cotten spoke to his motion. He noted that the holder sold PQS to an organization other than the right holder. The quota has been described as a St George community asset, and not a Pt. Moller asset. Mr. Cotten reviewed the facts, and stressed the need to analyze now, so the Council can prevent this in the future with more explicit rules requiring notification.

Discussion ensued regarding clarification on notification issues and the impact to other PQS holders, which would be .55%. Mr. Cotten emphasized that he is only requesting to analyze the issue and an alternative solution may be found.

Dr. Fina reviewed issues of granting PQS and impacts on IPQs and IFQ, noting that it would only change the size of the PQS pool.

Mr. Tweit noted his concern that inclusion of this option would delay final action, and cannot justify Council time to change an administrative error, unless it will provide protection for crab dependent communities. There was discussion regarding timing of the action. Dr. Fina stated that action would be better served to have in one package rather than including the amendment as a trailing motion. Ms. Kimball shared concerns that this action may set a precedent for other programs.

There was a brief discussion regarding the details of the affidavits and the administrative steps that had taken place.

Mr. Fields does not see this as precedent setting as this is a unique situation, but it was an oversight in the original program that the Council didn’t anticipate, and that as the program has evolved and developed, it needs to be corrected. Mr. Cross noted his agreement, and that communities may not have the funding to pursue this in court and it is under the purview of the Council.

**The amendment passed 8/3, with Mr. Henderschedt, Mr. Dersham, and Ms. Kimball opposing.**

Mr. Fields moved to amend the language relative to timeframe of final action in December. It was seconded by Mr. Tweit. He spoke to the motion noting that the Council makes an attempt to avoid setting dates in the motions, instead leaving the timing discussion for staff and the Executive Director and Chairman. Mr. Tweit noted that there are clear re-distributional effects and would prefer to give more time for communities and individuals to respond and comment. **The amendment passed without objection.**

**The amended main motion passed without objection.**

*Chairman Olson moved crab items C-6 B and C-6 C to the end of all the crab items, and because of Council timing and priority, they were dropped from the agenda.*
C-6 (d) Workgroup Report on Binding Arbitration, Golden King Crab

BACKGROUND
When adopting the crab rationalization program, the Council recognized the novelty of that program and the need to evaluate its performance periodically. As a part of its response to that need, the Council scheduled a comprehensive review to be complete after the fifth year of fishing under the program. In conducting the review, the Council identified issues which it believes need additional attention related to the arbitration system, which is used to settle disputes between harvesters and processors over prices for crab deliveries to holders of individual processing quota (IPQ).

As a part of the arbitration program, an arbitrator annually produces a report that includes a formula defining an ex vessel price that would preserve the historical division of first wholesale revenues, while considering a variety of other factors in the fisheries. In Council deliberations concerning the arbitration system, it was noted that in the Bristol Bay red king crab and Bering Sea C. opilio fisheries, the arbitrator has prepared a formula that has been uncontested by either sector for several years. In the golden king crab fisheries, however, participants have disputed the price formula each year, with either harvesters or processors dissatisfied with the annual formula. To address this issue, the Council created a workgroup of representatives from the harvest and processing sectors to attempt to resolve disputes concerning the formula.

Dr. Fina gave the staff report on this agenda item. The AP gave its testimony, and the SSC did not address this issue. Public comment was heard. Dr. Fina gave a report of the Committee meetings and tasks. Mr. Fields, Committee Chairman, spoke on behalf of the members of the Binding Arbitration Committee and the people who attended. He noted their work was very helpful and those outside the meeting who attended provided valuable input. He continued that even though there were two very different points of view, they were accurately reflected in the report. Mr. Henderscheidt echoed his comments and thanked Mr. Fields for leading the discussions especially during a very busy salmon season.

COUNCIL DISCUSSION/ACTION

Mr. Tweit suggested that industry representatives provide a report on the resolution of the GKC price formulation issues at a later date. He noted there is no time certain on this issue, and it can remain open ended if the two parties can agree. Mr. Fields encouraged the respective parties to make another attempt in the narrow discussion of price formula and that underlying issues can be resolved on another track and may be easier to solve. He emphasized it would be best to resolve the pricing component sooner than later.

C-6 (e) Discussion paper on binding arbitration issues

BACKGROUND
The Council heard testimony concerning three aspects of the arbitration system that some stakeholders believed should be given additional consideration: 1) the lengthy season approach to arbitration and its effects, 2) the potential for publishing arbitration findings, and 3) the potential for allowing either side to initiate arbitration proceedings. In response, the Council asked staff to prepare a discussion paper, which will be presented at the meeting.

Dr. Fina gave the staff report on this item and answered questions from the Council. The AP gave its report, and public comment was taken.
COUNCIL DISCUSSION/ACTION

Mr. Fields moved drop C-6 (b) and C-6 (c) from the agenda. Motion passed without objection.

Mr. Tweit moved, which was seconded by Mr. Fields, the following: The Council is interested in receiving annual reports from the binding arbitration organizations to allow the Council to assess whether the system is continuing to fulfill the expectations established in the program.

The Council requests the binding arbitration organizations provide regular reports on how the arbitration system is working, how many parties are using the system, and any issues or problems they identify that could be addressed by the Council. When feasible, the Council requests a joint report.

The Council directs staff to initiate analysis of:

1. Lengthy Season Agreements – The deadline for an IFQ holder to initiate arbitration shall be (30, 60, 90) days after the opening of the specific crab season.
   a. The time period shall be the same for all rationalized crab fisheries
   b. The time period may differ for each rationalized crab fishery.

Mr. Tweit spoke to his motion, noting the arbitration system is complex, and like the crab rationalization program, is working how the Council expected. Prior to rationalization, issues were dealt with through strikes, and economic loss now is less. However, there is still a level of frustration with aspects of the system, but specifics are still general. He noted this is a first step to pinpoint problem areas.

Mr. Tweit answered questions from the Council. He also addressed specifics and information the arbitration organizations would provide, and he assumed it would be larger issues they cannot resolve on their own, while looking to the Council as a last resort. The Council discussed the timeline and schedule necessary for reporting. Discussion continued on the details of the “lengthy season” agreements.

Ms. Campbell noted she is not interested in scheduling an annual report on binding arbitration, stating stakeholders have a mechanism to bring concerns to the Council. She maintained the Council has greater priorities.

Mr. Cotten supports the motion, but also noted his agreement with the Commissioner, and moved to amend, which was seconded by Mr. Tweit, the motion by striking the word, “annual.” The amendment passed without objection.

There was a brief discussion on timing, reporting, and deadline issues. Mr. Henderschedt pointed out there is an existing conduit for feedback to the Council. He specifically addressed the public and stated that regardless of the outcome of this motion, the Council is still interested in an effective arbitration program. Mr. Tweit noted the discussion has indicated about how the Council wants issues addressed in the future. The amended main motion failed 4/6, with Tweit, Fields, Hyder, and Cotton objecting.

C-6 (f) Crab Economic Data Reporting

BACKGROUND
As a part of the crab rationalization program, the Council developed a reporting system under which harvesters and processors participating in the crab fisheries are required to annually report economic data concerning their operations. These data are to be used by analysts and the Council to determine
whether the program is achieving its intended effects. Based on several reviews of the data collection program, as well as input from stakeholders, the Council elected to revise the program to correct inaccuracies, remove redundancies, and reduce the costs of complying with the reporting requirements. At its February 2012 meeting, the Council selected its preferred alternative for the action.

At that time, the Council also recommended that the NOAA Fisheries Service adopt general regulations to implement the collection, with all forms (and any form revisions) subject to revision in the Council process. In the intervening time, NOAA Fisheries Service, with input from Council staff and industry, has prepared the required Paper Work Reduction Act submission, the draft regulations, and data forms review by the Council.

Dr. Fina gave the staff report on this agenda item and expressed confidence the forms and final package meets the requirements needed to effectively and correctly collect data. Dr. Fina briefly reviewed some changed from the initial Council motion. Lori Swanson gave the AP report, and the SSC did not address the issue. Public comment was heard.

COUNCIL DISCUSSION/ACTION

Mr. Tweit moved to acknowledge the Council received a report from staff and have reviewed both the forms and the package and the Council approves the package for implementation. The motion was seconded. Mr. Tweit noted Dr. Fina described the process well, and stakeholders have also acknowledged the work, and that it has been crafted into acceptable final project. Mr. Merrill thanked Dr. Fina as well as the staff at AFSC, and hopes for a rapid implementation. The motion passed unanimously.

C-6 (g) BSAI Crab SAFE, C-6 (h) Tanner Crab Rebuilding Plan

The Crab Plan Team met September 18-21 to review draft BSAI Crab stock assessments and provide recommendations for OFL and ABC for 6 of the 10 stocks. There are 10 crab stocks in the BSAI Crab FMP and all 10 must have annually established OFLs. Annual ABCs are recommended to the Council by the SSC. Four stocks (Norton Sound red king crab, AI golden king crab, Pribilof Island golden king crab and Adak red king crab) had OFLs and ABCs recommended in the spring. The remaining stocks will have OFLs and ABCs recommended at this meeting. The full Crab SAFE including the introduction with the Crab Plan Team’s recommendations, the 10 stock assessments as well as the economic chapter were mailed to the SSC and copies are available at the meeting as needed.

Dr. Stram gave the staff report on this agenda item. The AP did not have a report on this agenda item, and the SSC had given its report earlier in the meeting. There was no public comment. Chris Oliver noted that no action by the Council was required, and the SSC made their recommendations for ABCs for all crab stocks. He also noted that this item had priority on the SSC’s agenda in order to accommodate ADF&Gs timing for setting state TACs.

Dr. Stram noted that in regard to Tanner crab rebuilding according to SSC final recommendations on the model and B_{MSY} timeframe, Tanner stocks are above B_{MSY} estimate and no longer in need of a rebuilding plan.

COUNCIL DISCUSSION/ACTION

Ms. Campbell moved to accept the crab SAFE and to adopt the SSC’s recommendations OFL and ABC for EBS snow crab, BB red king crab, EBS Tanner crab, Pribilof Islands red king crab, Pribilof Islands blue king crab, and St. Matthew Island blue king crab. The motion was seconded.
Ms. Campbell noted that this a routine action, and thanks the staff of the Crab Plan Teams for all the work that goes into drafting the documents. She drew attention to the SSCs recommendation creating a workgroup of CPT and SSC members to review additional uncertainty in the practice of setting a 10% buffer to set ABC below OFL. She stated her support of the recommendation, and the workgroup would be able to address other issues as they arise. She noted ADF&G continues to be concerned about the methods used for accounting for uncertainty, and looks forward to refining methods. The motion passed without objection.

D-1 (a) GOA Trawl PSC

BACKGROUND
Over the course of the past few years, the Council has advanced a number of actions to reduce the use of prohibited species catch (PSC) in Gulf of Alaska fisheries. At its June 2011 meeting, the Council introduced Chinook PSC limits in the Gulf pollock fisheries. In addition, the Council took action at its June 2012 meeting to reduce halibut PSC available to trawl and longline fisheries in the Central and Western Gulf. The Council is also considering an action to extend similar Chinook PSC limits to non-pollock groundfish fisheries in the Gulf. This series of actions reflects the Council's commitment to reduce prohibited species catch in the Gulf fisheries. Participants in these fisheries, particularly in the Central Gulf, have raised concerns that the current limited access management creates a substantial disincentive for them to take actions to reduce PSC usage, especially actions that also reduce target species catch rates. If target catch rates are reduced, other participants, who choose not to exert efforts to avoid PSC, stand to gain additional target catch by continuing to harvest fish at a higher catch rate, at the expense of vessels engaged in PSC avoidance.

Throughout the discussions of PSC reductions in the Gulf fisheries, the Council has acknowledged that a more comprehensive look at management measures to aid fleets in achieving PSC reductions is needed. At its June 2012 meeting, the Council received a discussion paper to help focus its discussion of the development of such a management package. In response to the paper and public testimony, the Council expressed its intent to schedule a specific agenda item to develop a purpose and need statement identifying goals and objectives for the action and to begin the process of developing a program to provide tools for effective management of PSC, incentives for the minimization of bycatch, and vessel level accountability for the Central Gulf of Alaska trawl groundfish fishery. The Council encourages participants in the Central Gulf trawl fishery and other stakeholders to provide input concerning objectives for the action, as well as the types of ‘tools’, or management measures, that should be considered.

Mark Fina gave the report on this agenda item and answered questions from the Council. The SSC did not address the issue, the AP gave its report, and public comment was heard.

COUNCIL DISCUSSION/ACTION

Ms. Campbell moved, which was seconded, a written motion, included as ATTACHMENT 8.

Ms. Campbell spoke to her motion, stating that the State of Alaska is re-iterating its commitment to reducing bycatch in CGOA trawl fisheries. She recognized the Council’s previous action in reducing trawl halibut limits as one way to reduce PSC, and experience from other programs in the North Pacific have shown more significant reductions happen when the race for fish is eliminated.
She continued, noting that this motion is signaling to the public that the Council is considering some form of a catch share program, and it is also intended to help provide a scope of action and to focus future public comment. She also emphasized that the scope of action is limited to the CGOA trawl fishery because this is the sector with the greatest issues of bycatch, and is farthest along in what they would like to see in a program. The purpose and needs statement is responsive to industry and community.

Ms. Campbell answered questions of clarification from the Council members, and noted that it was not the intention to preclude previously discussed options. She explained goals and objectives in the program in regard to SSL protection measures, explaining that the program can be designed in a way to be more efficient than the tools that are in place now. She also noted that she would like to have more discussion about other LAPP programs that exist and how they might interact with goals and objectives.

Ms. Campbell noted that the next time this item is scheduled, not only should the Council expect input from the public on alternative programs and designs, but also on what may be missing from the objectives and the purpose and needs statement. She also pointed out a control date is not included.

Mr. Henderschedt thanked Commissioner Campbell for the motion and addressed various objectives, including collecting baseline data that can be used to evaluate the program. He would like to return to this discussion in the future. Mr. Tweit noted his support of the motion, especially since 3 main points are included; health of the fishing communities, bycatch reduction, and achieving OY.

Mr. Fields noted his support of the motion, and appreciates continuing to solicit input and focusing public comment. He noted he will be very sensitive as the program is crafted to protections to the community and other fisheries. Mr. Cotten also thanked the Commissioner for the motion, and is supportive of the reasoning why a new management program is necessary. Mr. Dersham noted his support of the motion, and agrees with Mr. Henderschedt and Mr. Tweit. He also noted the motion strongly encompasses National Standard 9, reducing bycatch, which is very important as the program develops.

Mr. Merrill thanked the staff of all the agencies and noted the motion is complex and addresses a wide variety of interests.

Mr. Hull noted that it is important to describe the universe of policy decisions. He continued, stating that the outcome of any new management program depends on how it is designed and developed. The Council can develop what is desired as stakeholders, communities, and policy managers. He specifically stated that this is a good motion for stakeholders to understand how ideas are viewed and included.

Chairman Olson thanked the Commissioner and staff for a the motion, and in doing a good job of incorporating diverse views. There was a brief discussion of timing, and it was mentioned that this action is a priority. **The motion passed unanimously.**

**Mr. Tweit moved to set a control date of December 31, 2012.** The motion was seconded by Mr. Hyder. Any catch history after this date will not be considered in any allocation system when designing a future fishery management system. Mr. Tweit spoke to his motion, noting that the Council has had a fair amount of discussion regarding control dates and that a control date does not bind a future council but serves as a notice to the public of the Council’s intentions. A control date is a tool for addressing speculative fishing and serves as a notification that Council reserves the right to treat history from that point forward differently than it may treat history prior to that date. He stated that it won’t bind the Council in terms of final decisions.
Mr. Cotten moved to amend the Council postpone consideration of motion of a control date until after the 1st draft of discussion paper is returned to the Council. For lack of a 2nd motion dies.

Mr. Henderschedt noted that there is a value in a control date and as the Council has discussed earlier, there is risk in developing business strategies. The establishment of a control date is very useful in the assessment of risk, and it is appropriate that the Council takes action.

Mr. Henderschedt moved to amend that language in motion be changed from “will” to “may.” He briefly pointed out that catch history that pre- and post-analysis will be considered in analysis, but this puts a different point in analysis and that vessels’ history will be considered differently. There was brief discussion regarding semantics, and Mr. Henderschedt withdrew motion.

Discussion continued regarding the control date. Mr. Tweit noted that any element that could contribute to speculative fishing is addressed. Mr. Fields noted his concern with processor accounting and a control date, and that it foreshadows the possibility of allocation of market share of processor history. Mr. Cotten noted he is concerned that the public hasn’t had a chance to comment on a processor or harvester control date.

Mr. Henderschedt explained that a control date is just a point in time and no final conclusions are made, other than noting that some activity might be considered speculative, and may come into discussion at a later date. Mr. Tweit noted that setting a control date is an issue of transparency, and serves as a notice to the public as it may affect their business plans.

Chairman Olson noted he is not ready to announce to world that we are ready to move down this path. He stated that it may disadvantage small fishermen, and would like to see options and alternatives first. Ms. Campbell is uncomfortable with the motion and with including processors. She noted that a control date is set when there are elements and options on the table and is intended to be a firm deadline.

Mr. Hull noted his support of the motion, but not with a processor control date.

Mr. Dersham moved to amend the motion that the control date for catch history applies to CVs and CPs only. The motion passed 9/2, with Mr. Tweit and Mr. Cotten in opposition.

Mr. Merrill moved to amend the motion to read , “Any catch history after this date may not be credited in any allocation system when designing a new management system.” The amendment passed without objection.

The amended main motion passed 7/4 with Mr. Merrill, Ms. Campbell, Mr. Cotten, and Mr. Olson in opposition.

Mr. Hull moved to take D-1(b) VMS off the agenda, recognizing the rest of the business on the agenda. It was seconded, and Mr. Hyder noted that he would rather have more time to discuss this agenda item at a later date, and use the time to more fully develop the discussion paper. The motion passed without objection.

D-1 (c) Nunivak Island-Etolin Straits-Kuskokwim Bay Habitat Conservation Area Boundary

In July 2007, the Council adopted Amendment 89 to the BSAI Groundfish FMP, Bering Sea Habitat Conservation measures, which created a number of habitat conservation areas (HCAs) in which bottom
trawling is prohibited. One of these areas is the Nunivak Island-Etolin Strait-Kuskokwim Bay Habitat Conservation Area (Nunivak HCA, see map).

During the Council’s consideration of Amendment 89, the boundaries for the Nunivak HCA were developed in close consultation with an industry and Association of Village Council Presidents (AVCP) working group. Communities and industry agreed on a southern boundary line for the habitat conservation area, which was subsequently established in regulation. The flatfish industry members committed to continued work with the AVCP communities in an ongoing process to communicate and share information on fishing activities and scientific information about the area.

As part of the Council’s final motion adopting the closure, the Council agreed to review the boundary line developed for the Nunivak HCA in four years, and to consider whether further action is appropriate. The review of that boundary is the subject of this agenda item. This item has been rescheduled several times to allow the industry, tribal, and community representatives to arrive at a mutually agreed upon solution. Representatives of industry and tribal and community organizations have met several times since the Council was last updated, and hope to have a proposed resolution to bring to the Council for review.

Mr. MacLean introduced the agenda item and gave a brief review of events. Jason Anderson, from the Alaska Seafood Cooperative. Mr. Andersen noted he has been working with the Association of Village Council Presidents and the Bering Sea Elder’s Group. He noted an agreement has been reached and distributed a copy of the agreement and maps of proposed closure areas to the Council. The AP had given its report and the SSC did not address this issue. Public comment was heard.

COUNCIL DISCUSSION/ACTION

Ms. Campbell noted no action by the Council is necessary, but wanted to recognize all people that worked diligently to get an agreement to work for them and complimented and thanked them for their efforts. Chairman Olson echoed her comments.
D-1 (d) Northern Bering Sea Research Area

Amendment 89 also created the Northern Bering Sea Research Area (NBSRA, see map) and required the development of a management plan to identify areas where nonpelagic trawl fishing would be allowed, pursuant to a scientific research plan. The Council requested that the Alaska Fishery Science Center (AFSC) design an adaptive management experiment in the closed northern area to study “the effects of nonpelagic trawl gear in previously untrawled areas.”

In response to the Council’s request, the AFSC began developing a scientific research plan for the NBSRA to study the effects of bottom trawling on the benthic community to help with developing future protection measures in the NBSRA for crab, marine mammals, endangered species, and the subsistence needs of western Alaska communities.

In June 2011, an update on the research plan was presented to the Council. The Council also heard considerable public testimony from tribes and members of communities adjacent to the NBSRA expressing concern about the research plan and the desire for more community engagement and inclusion in the development of a research plan. In response, the Council chose to suspend work on the research plan, and requested a discussion paper to compile background information on the NBSRA which will allow the Council to reevaluate the feasibility and need to continue with developing a research plan.

Mr. MacLean gave the staff report on this item. Lori Swanson gave the AP report, and the SSC report had been given earlier. Public comment was heard.

COUNCIL DISCUSSION/ACTION

Mr. Henderschedt noted no formal action is necessary, and with stretched budgets and a project that requires lengthy time and resources, along with lack of industry enthusiasm and opposition from other parties, there is little reason to move forward with NBSRP. However, he did state the importance of evaluating decisions on an ecosystem level, and with the shift in fishing patterns and resources there may be potential in future for a development of this kind. Mr. Olson noted his agreement with Mr. Henderschedt, and that if this project were to continue in the future, that tribes and stakeholders would be engaged and consulted.

D-2 Staff Tasking

Mr. Oliver gave the staff report on this agenda item and reviewed the list of topics that had accumulated over the course of the meeting. He briefly reviewed the committee member list, the three meeting outlook, and an updated workplan for implementing the programmatic groundfish management policy. He also noted the Council may want to address priorities for completing ongoing projects. There were brief questions from Councilmembers. Mr. Hull updated the Council on the Observer Advisory Committee saying there is no need to meet in the near future, but a progress report in December would be agreeable. Mr. Henderschedt added two items; establishing baseline economic data collection for GOA trawl, and a discussion on providing input to stock assessment authors on policy and management issues related to stock structure decisions. Mr. Cross requested the Council review additional years in the discussion about CVs for cod in BSAI in the observer program.

Chairman Olsen requested that the Council should have more discussion regarding halibut closures as they may concern allocative issues. Dr. Balsiger noted that IPHC wanted to open Area 4E, which may be an allocative decision depending on who is able to fish. Allocation decisions are in the Council’s purview instead of the IPHC. Lori Swanson gave the AP report, and public comment was heard.
COUNCIL DISCUSSION/ACTION

Mr. Fields moved, and it was seconded, to approve the minutes as written. The motion passed without objection.

Joint Protocol Committee
Mr. Olson noted that the Council should schedule a joint protocol meeting rather than a full joint Council/Board of Fisheries meeting. Chris Oliver will make arrangements with the Board of Fisheries’ Executive Director and Joint Protocol members.

Halibut Recreational Quota Entity
Mr. Fields moved, which was seconded, to have staff develop a white paper how an entity formed to administer a compensated re-allocation pool plan could fit within the Council’s CQE program, and outline issues the Council would need to resolve to approve such an entity.

Mr. Fields spoke to the motion and answered questions from the Council members. He noted that those that developed a plan are looking for direction and purpose. He noted that with this motion, the Council is directing staff to review purposes of CQE program and what the management entity for a compensated reallocation pool plan would look like and if the CQE program is the right vehicle. If so, how to begin development. Mr. Fields stated that he is narrowing the scope of the inquiry to be specific. Mr. Tweit noted that consultation with NOAA GC is included in request for whitepaper. The motion passed without objection.

Finalizing NS1 comment letter.
Mr. Hyder moved, and it was seconded by Ms. Campbell, to authorize Mr. Oliver’s to finalize and send the letter on National Standard 1. It was noted that he would be contacting Council members to finalize if there were questions. The motion passed without objection.

Halibut Issues
Mr. Hull moved that the Council support the IPHC if chooses to open the closed halibut area. His motion was seconded. He noted that it would not change the Council’s CSP for Area 4 CDE if it is included as Area 4E. Mr. Balsiger noted that not all the stakeholders want it open, and there are allocative decisions. If the Council’s allocative decision would be to only allow CDQ fishermen that are currently allowed to fish in 4E, then it wouldn’t be a problem. There were questions of clarification on the IPHC halibut stock assessment. Ms. Campbell stated that if taking this action does not have an effect on changing the TAC or formula, or allocation under the CSP, then she will support the motion. It was noted that the IPHC may get comments from stakeholders, and Dr. Balsiger noted that the Commission will likely make a decision at their annual meeting in January. The motion passed with Mr. Tweit objecting.

Active Participation and Cooperative Formation for Crew
Mr. Fields noted his preference to bundle this issue with the other crab issues. It was generally agreed that although it does not have the same urgency it make sense to keep the crab issues together, and will defer to the Chairman and ED how to schedule items.
MINUTES NPFMC MEETING
October 2012

ESA Workgroup formation
Chairman Olson noted that the Council Coordination Committee may be forming an ESA Workgroup, and that he and Chris Oliver will make an appointment before the deadline and inform the Council.

SSL letter to NOAA
Mr. Tweit noted he would like to express concerns as a Council to Dr. Lubencho which; 1. calls attention to the findings and recommendations of the CIE, as well as the Independent Scientific Panel, and 2. informs NOAA of the Council’s concerns and the motion adopted by the Council as a result of these reviews and how the Council could participate in the early scoping process on the EIS, and 3. requests her assistance in immediately implementing the Council’s recommendations as expressed in the motion as far as timing. The Council would also appreciate assistance from all levels of the agency in attempting to expedite revised measures that are more consistent with the CIE review. Additionally, the letter would request assistance in informing the District and Appellate courts of the findings of these reviews and of the Council’s motion and scheduling. 4. The letter would also call attention to continuing indications of scientific bias by at least one of the principal authors of the biop. In specific, refer to the September presentation by AFSC scientist to the Council’s groundfish plan teams after the CIE review had been released where the scientist referred to hypotheses as “myths,” and the logic chain applied with different standards. Mr. Tweit highlighted examples in presentations. Mr. Tweit moved to draft the letter, and the motion was seconded by Ms. Campbell.

Discussion ensured regarding the issue of scientific bias. Dr. Balsiger noted his disagreement with Mr. Tweit’s statements, and also noted that the presentation in question was casual, and that NMFS does not regulate scientific debate. He noted he will be opposing the motion. Mr. Fields noted that he is requesting appropriate terminology and incorporating CIE review process. Mr. Olson noted that this request is not meant to be impugning, but wants to point out inconsistencies.

Mr. Henderscheidt noted he shares many of the same concerns that have been stated, but prefers the letter to address them in a more general, positive light, stressing the need for clarity and consistency and the need to be responsive to those points in the CIE review. The motion passed with Mr. Balsiger objecting.

Chinook Salmon Bycatch
Mr. Olson noted that the Council has had extensive public comment about Chinook salmon, and salmon in general, and he wanted to state that the Council is aware, and shares concerns, about the state of salmon in public waters.

Dr. Stram briefly informed the Council on information on stock status of Western Alaska Chinook salmon and the most recent genetic stock identification information from BSAI Chinook salmon bycatch, as well as effectiveness of incentive plans. She noted that in December there will be an initial review of the Chum Salmon Bycatch EA, but updated stock of origin information will not be included until April, when the coop reports and incentive plans are available. She noted there may be an updated, through 2011, Bering Sea Chinook genetics report in April. Dr. Stram noted that all the information will exist in different forms in April, unless requested, there would not be an analysis.

Mr. Campbell wanted to state her ongoing and high level of concern, and that these issues are not losing priority. She noted to the public that the Council has a number of ongoing agenda items that will allow the Council to further consider, address, and improve salmon bycatch control measures.

Mr. Fields had questions regarding GOA genetic stock information, and Ms. Evans noted that there is a technical paper that may be available for the next Council meeting, and Chinook salmon samples from the
GOA observed pollock fishery in 2011 are now being processed. She noted that in 2012 there should be many more samples because of Council action and the full retention requirement.

Mr. Hull thanked stakeholders, and even though Chinook was not on the agenda it was valuable to highlight the issue and keep updated on current thoughts. Mr. Olson echoed Mr. Hull’s comments, and noted that although not on the agenda at this meeting, there are items the Council has been working on and will be addressing in the future.

Ms. Campbell noted that the Chinook salmon symposium was scheduled later in October, with intent to finalize the State’s research plan which would be available at the Council’s December meeting. Mr. Fields requested genetic stock information, the research plan, as well as any other information that is available be presented at the next meeting.

**AM80 replacement vessels**

Mr. Henderschedt noted the Council did address prioritization of the action of AM 80 replacement vessels, and there has been no indication of timeline or specific recommendations from industry. He noted that the AM 80 replacement vessel issue should not compete in terms of prioritization with GOA trawl fishery, SSL issues, Observe implementation issues, development of GOA trawl fishery bycatch reduction tools. Mr. Hyder recommended he would be comfortable should this issue be on hold. Mr. Olson noted that it is on the list, but at a low priority, and will continue re-evaluating the need for the issue to come again before the Council.

**GOA Trawl Economic Data**

Mr. Henderschedt noted the Council had requested a discussion paper for February for the CGOA trawl sector and available tools. **He moved to request the paper include a discussion and some proposed elements and options on a baseline economic data reporting program for Western and Central GOA trawl industries, including harvesters, processors, and catcher processors. The motion was seconded.** Mr. Henderschedt spoke to his motion, stating that it was his intent to get before the Council a plan for implementing a basic, efficient tool for collecting baseline economic data within trawl fisheries in advance of the implementation of bycatch tools that might be adopted. He noted that by doing this will help evaluate the impact and effects of future council actions. Mr. Fields strongly supports the motion, and would like to review in December. **The motion passed without objection.**

**Stock Structure Workgroup**

Mr. Henderschedt noted that through the presentation of the GFPT report, there may be a lack of clarity of process and decision points within the work of the stock structure workgroup as well as the plan teams. He called attention to points in the report. He specifically noted that the process of how stock structure is going to change management of stocks needs to be transparent and include informed and experienced managers and stakeholders. Mr. Henderschedt stated that it’s his recommendation that the Plan Teams figure out how to incorporate management policy input in its process of determining when and how to split stocks. Mr. Olson agreed the direction will be sent to the plan teams.

**AP Reports**

Mr. Henderschedt noted that the AP has taken efforts to inform the Council of rationale behind decisions, and the background behind recommendations. He hoped the Council can provide constructive input as the AP reporting process evolved. Mr. Olson echoed his comments, and thanked the AP for its work.

**COE Small Block Restriction Discussion Paper**

Mr. Fields noted the Council has had some comment regarding the discussion paper suggesting the stakeholders may not be able to attend in the Council meeting in Portland in February. He encouraged the
Chair to consider moving the agenda item to December. Mr. Olson noted he would take it into consideration.

**Observer deployment**
Mr. Cross noted that under the Observer Deployment agenda item, the Council requested NMFS and the BSAI Pacific cod catcher vessel trawl fleet work together to allow 100% observer coverage in the 2013 season. He encouraged NMFS and the CV cod trawlers to work on developing alternatives for a long term solution. There was brief discussion regarding other fisheries and participants, and it was generally agreed to look for future solutions for this observer coverage issue. Mr. Hull noted that the final rule for the observer program has not been published, and is concerned about changing the program before it has been started.

Mr. Hull requested a progress report on the progress of observer deployment plan implementation be available in December.

**VMS**
Mr. Hyder requested to keep VMS on agenda for December if at all possible.

**Appointments**
Chairman Olson read the announcements for committees: Mr. Henderschedt will take Mr. Benson’s place on the Non-Target Species Committee. Christopher Siddon was appointed to the BSAI Groundfish Plan Team, and Mark Stichert, and Elisa Russ on the GOA Groundfish Plan Team. Joel Peterson has been appointed to the AP for the remainder of Craig Cross’ term through 2012 and Bryan Lynch has been appointed to the AP for the remainder of Julianne Curry’s term, through 2013.

Mr. Olson thanked everyone for their work, and the Council adjourned at 4:48pm on October 9, 2012.
**MEETING ATTENDEE SIGN-IN SHEET**

**N.P.F.M.C. MEETING**

**PLEASE REGISTER ATTENDANCE FOR MEETING RECORDS**

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### MEETING ATTENDEE SIGN-IN SHEET

**Date:** N.P.F.M.C. MEETING

**Please register attendance for meeting records**

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# NPFMC Meeting, October 3-9, 2012
## Tape Log
### October 3, 2012

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October 6, 2012

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October 7, 2012

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October 8, 2012

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3:05:10  11:23:01  Sarah Melton
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3:15:59  11:33:44  Campbell motion
4:18:11  13:35:42  Jason Anderson
4:19:12  13:36:53  D-1 C Northern Bering Sea Research
4:21:10  13:38:40  Lori Swanson AP report
4:21:13  13:46:35  Steve MacLean
4:29:14  13:46:43  Public Comment
4:31:18  13:48:51  Dorothy Childers
4:35:07  13:52:33  Jason Anderson Valerie Brown
4:42:27  13:59:52  D-2 Staff Tasking
4:42:36  13:59:59  Chris Oliver
4:52:57  14:10:17  Lori Swanson, D-2 staff tasking AP report
4:56:03  14:13:21  Roy Ashenfelter
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6:08:30  15:25:15  Julie Smity
6:08:39  15:25:24  Sky Starky
6:33:47  15:50:25  D-2 Staff Tasking
7:32:55  16:49:05  Adjourn
The following (21) members were present for all or part of the meetings:

Kurt Cochran  Becca Robbins Gisclair  Joel Peterson
John Crowley  Jan Jacobs  Theresa Peterson
Julianne Curry  Alexis Kwachka  Ed Poulsen
Jerry Downing  Craig Lowenberg  Neil Rodriguez
Tom Enlow  Chuck McCallum  Lori Swanson
Tim Evers  Andy Mezirow  Anne Vanderhoeven
Jeff Farvour  Matt Moir  Ernie Weiss

Minutes of the June 2012 meeting were approved.

C-1(a) ADFG Report on 2011 Sport Halibut Removals

The AP heard a report from Scott Meyer (ADF&G) on the final 2011 sport halibut removals.

C-1(b) Halibut Catch Sharing Plan

The AP supports final action of the Halibut Catch Sharing Plan including the PPA adjustments as identified in the April 2012 Council motion with the exception of the allocation.

Alternative 3 would replace the fixed matrix of management measures under Alternative 2 with a requirement that the Council recommend, and the IPHC adopt, annual management measures to maintain charter halibut harvests within the respective allocations. The AP also supports separate accountability.

The AP moves to support the removal of the poundage drop by method 4 as described in section 2.5.11 of the CSP analysis.

When CCL increases to the highest combined catch limit at the drop, use Method 4 as described in the analysis to establish the fixed pound allocation across that range until you reach the slope of the higher tier. When CCL decreases to the lowest point of the drop, fix the amount of pounds to the charter sector until you reach the slope of the line at the lower tier.*

The AP recommends that GAF can be returned at either of two dates: September 1 and a final return date of November 1. The AP requests an annual review of the GAF program.

The AP also requests the Council task staff to initiate analysis of the common pool compensated reallocation program as a long-term solution.

Motion passed 21/0.
*NOTE: The following figure provides a visual picture of the AP’s motion on removing the drop. The red line (with arrow pointing to right) is followed when the CCL is increasing. The green line (with arrow pointing to left) is followed when the CCL is decreasing. If CCL changes direction when in the diamond area, you stay on the same line as the previous year.

The AP recommends the Council adopt Alternative 3 as the allocation basis for 2C and 3A. Motion passed 14 to 6.

Minority Report on C-1(b), Halibut CSP: A minority of the AP did not support this motion. A significant portion of those opposing believe that the allocation level in Alternative 3 is inadequate for the charter industry and in particular in Area 3A, where this alternative will reallocate over 1,000,000 pounds of halibut from the charter sector to the commercial sector, as referenced on page xxvii of the analysis. This would be over a 30% reduction in a steeply declining abundance. We believe this will cause undue financial harm to the charter industry and therefore fails to meet the problem statement.

Another portion of the AP minority did not support the motion because they believe that allocations from Alternative 2 should be the allocations for the CSP. Charter allocations as a percentage of the combined CCL in 2008 would have been 13% and 12.92% in 3A.

Signed by: Andy Mezirow, Tim Evers, Kurt Cochran, Becca Robbins Gisclair, Jeff Farvour and Alexus Kwachka.
C-2(b) Proposed Groundfish Harvest Specifications

The AP recommends the Council adopt the proposed Gulf of Alaska groundfish specifications for OFLs and ABCs as recommended by the Plan Team in item C-2(b) of the action memo, and set TACs equal to ABC (see Attachment 1) for all species except Pacific cod, which would be adjusted as shown on the bottom of page 3 of the action memo. Motion passed 21-0.

The AP recommends the Council set the 2013 and 2014 annual and seasonal Pacific halibut PSC limits and apportionments in the Gulf of Alaska as provided in the tables on pages 4-5 of the action memo. Motion passed 21-0.

The AP recommends the Council adopt the Pacific halibut discard mortality rates for the 2013-2015 CDQ and non-CDQ groundfish fisheries off Alaska as shown in Table 8 on pages 5-6 of the action memo. Motion passed 21-0.

The AP recommends the Council adopt the proposed Bering Sea/Aleutian Islands groundfish specifications for OFLs and ABCs as recommended by the Plan Team in item C-2(b) of the action memo, and set TACs as in the Council recommendations from December 2011 (see Attachment 2). Motion passed 21-0.

The AP recommends the Council adopt the PSC apportionments of Pacific halibut, crabs and herring for the Bering Sea/Aleutian Islands groundfish fisheries in 2013 and 2014 as provided in Tables 8a, 8b, 8c and 8d on pages 2-3 of the action memo. Motion passed 21-0.

C-3 Observer Program

The AP recommends that the Council request NMFS and the BSAI Pacific cod catcher vessel trawl fleet work together to develop a mechanism to allow 100% observer coverage for the 2013 season, with the additional costs to be borne by vessel owners.

The AP further recommends that that all trawl fleets in the Gulf of Alaska have the option to voluntarily carry 100% observer coverage at some times in the seasons, also with additional costs to be borne by vessel owners.

Motion passed 18-0.

The AP recommends that the Council:

1. Recommend that NMFS clarify how a release from observer coverage is granted, if the observer provider is unable to provide an observer. (OAC Rec. 1)
2. Recommend that NMFS reconsider the timing requirements for requesting a release from observer coverage, and inspecting a vessel that has made that request. (OAC Rec. 2)
3. Recommend to NMFS that vessels in the vessel selection pool should either have the option to go into the trip selection pool, OR all vessels should be in the trip selection pool, or reconsider shorter time periods in the vessel selection pool. (modified OAC Rec. 5)
4. Reaffirm that crew members should not be displaced by the requirement to have an observer onboard. (OAC Rec. 4)
5. Recommend that the difference between coverage in the vessel and trip selection pools be evaluated. (OAC Rec. 5)
6. Recommend that the agency’s decision to use an equal rate of deployment between the trip selection and vessel selection strata be evaluated against the Council’s original objectives for the restructured program. (OAC Rec. 6)

7. Recommend that the Council address a situation that has arisen with respect to assigning vessels to the partial versus the full coverage categories: requirement that if a vessel acts as a CP for any part of the year, it is placed in the full coverage category for all fisheries. (modified OAC Rec. 7)

8. Identify priorities for the 2013 deployment plan and direct NMFS to prioritize coverage rates in 2013 by fishery to meet Council priorities and management needs. Fisheries with PSC concerns (including Chinook salmon, halibut and Tanner crab) and management needs for accurate PSC counts should be prioritized for higher coverage levels. Coverage rates should be adjusted by taking coverage from previously unobserved vessels with less PSC concerns, consistent with the promised “low and slow approach.”

9. Recommend that NMFS insert cost effectiveness measures into the deployment plan, to prevent expensive deployments to remote areas for insignificant amounts of catch.

10. Recommend that observer staff report back to the Council on the number of Lead Level 2 Fixed gear observers that are produced by the new program and that are available for deployment aboard Hook and Line CPs operating in the BSAI groundfish fishery.

11. Initiate a discussion paper as soon as possible that explores a long-term solution for observer coverage in the BSAI trawl Pacific cod catcher vessel fishery. (modified OAC Rec. 7)

12. The Council recommends the observer program to explore options for increased random coverage of specific fisheries based on management concerns. Motion to add item #12 passed 20-0.

**Electronic Monitoring (EM)**

1. Restate the management objective for the 2013 EM pilot project. (OAC Rec. 1)

2. Encourage NMFS to work cooperatively with industry regarding further development of the 2013 EM pilot project and the strategic plan referenced below. (modified OAC Rec. 2)

3. Recommend that the Council request that NMFS initiate the development of a strategic planning document for EM identifying the proposed management objective(s) or vision for EM in the next 3-5 years. (OAC Rec. 3)

4. The Council reaffirm that a goal for development of EM is to develop an alternative to use of human observers in the previously unobserved fleet.

Motion passed 20-0.

**Minority Report on C-3 Observer Program:** A motion to delete item #8 above, failed 7 to 12. A minority of the AP believe that observer data is important for a variety of reasons, including monitoring total catch for the purpose of addressing ACL requirements under revised National Standard One. Shifting observer coverage based solely on PSC concerns compromises the other goals of the observer program.

Signed by:  Lori Swanson, Anne Vanderhoeven, Jerry Downing, Matt Moir, Jan Jacobs, Kurt Cochran and Tom Enlow.

**C-4 Steller Sea Lion Issues**

The AP understands that the CIE and Independent Scientific Panel reviews of the Biological Opinion concluded there is no evidence for the hypothesized indirect effects of fishing on SSL prey species and the RPA measures contained in the Interim Final Rule will have no beneficial effects on SSLs.
The AP is concerned that NMFS does not have a plan to expeditiously modify the BiOp and resultant management measures. Given the findings of the CIE and the State Independent Scientific Review Panel the AP recommends that the Council request that NMFS:

1. Take appropriate regulatory action to vacate the management measures implemented by the interim final rule in time for the 2013 fishery and revert to 2001 measures except where no longer appropriate (e.g. HLA regs with 178 degrees west line and platooning), and adopt an expedited schedule for the EIS such that a new final rule could be in place in time for the 2014 fisheries; and
2. Immediately re-initiate consultation for the Central and Western Aleutian Islands and substantially revise the Biological Opinion to incorporate the conclusions and recommendations of the CIE and Independent Scientific Review Panel to meet the above schedule.

Motion passed 19-1, with 1 abstention.

The AP recommends the Council urge NMFS to continue to re-evaluate the Steller sea lion management measures throughout the western DPS. Motion passed 21-0.

C-5(a) Discussion paper on Am 80 vessel replacement with AFA vessels

The AP believes that further analysis of allowing AFA-qualified catcher-processors to replace Amendment 80 vessels is unnecessary. The action will destabilize North Pacific fisheries and is contrary to longstanding Council policy of protecting other sectors from harm from rationalized fisheries. The AP therefore recommends that the Council take no further action on this issue.

Motion passed 12-7, with 1 abstention.

Minority Report on C-5(a): The Advisory Panel motion represents a conclusion and final decision on this issue based on the assertion that allowing AFA vessels as Amendment 80 replacement vessels would destabilize North Pacific fisheries. The Agency discussion paper did not provide analysis to support this conclusion but rather identified this issue for further analysis based on input it received during drafting of the discussion paper.

The motion also asserts that this option is inconsistent with the longstanding Council policy of protecting other sectors from rationalization. That conclusion ignores the fact that Amendment 80 sector is itself rationalized and is reached without a thorough review and analysis of the role of sideboards and other relevant regulations in the context of two separately rationalized fisheries.

The minority of the AP believe that this decision stands as a major component of the Amendment 97 package and is a decision that should be made by the Council, not by the Agency without Council guidance. The minority further believes that the Council decision must be based on a full analysis of the significant and substantive concerns that have been raised in the discussion paper requested by the Council and in public testimony. The minority agrees with the numerous statements in the discussion paper that information critical to an informed decision has not been developed. There are questions regarding the potential impacts of a Council decision on important Council policy concerns including efficiency, competition, safety and overcapitalization that have not been analyzed for Council action at this meeting.

Finally, a lack of consensus in public testimony and the Advisory Panel deliberations clearly demonstrates the need for an objective analysis.

Signed by: Jan Jacobs, Neil Rodriguez, Anne Vanderhoeven, Jerry Downing, Tom Enlow, Alexus Kwachka and Joel Peterson
C-5(b) Initial review of AFA Vessel Replacement GOA Sideboards

The AP received the report and asked to see the completed discussion paper in December. No vote was taken.

C-5(c) Final Action on FLL Vessel Replacement (MLOA adjustment)

The AP recommends that the Council take final action and move forward with Alternative 3 the preliminary preferred alternative, with options 3.3 and 3.4 (shown below). Motion passed 20-0.

Alternative 3: (PPA) The MLOA requirements on LLP licenses with catcher processor and hook-and-line Pacific cod endorsements for the BS or AI would not apply and the Council recommends that vessels named on these LLP licenses be authorized for use in the EEZ under the jurisdiction of the North Pacific Fishery Management Council, which is intended to clarify that these vessels are eligible to receive a certificate of documentation consistent with 46 U.S.C. 12113(d) and MARAD regulations at 46 C.F.R. 356.47

Option 3.3 (PPA) The MLOA on LLP licenses with catcher processor and hook-and-line Pacific cod endorsements for the BS or AI would be modified to 220’MLOA.

Option 3.4 (PPA) Owners of LLP licenses with catcher processor and pot cod endorsements will have 36 months from the implementation of this action to either surrender the pot cod endorsements and receive a LLP license at 220’ MLOA or the current LLP length restriction would continue to apply.

C-6(a) Initial Review of BSAI Crab ROFR

The AP recommends that the Council move the Modifications to Community Provisions forward for public review and set for final action in December with the following changes:

- In the Purpose and Need Statement, replace the phrase “holding between 20 percent and 50 percent of the PQS” with the phrase “hold substantial portions of the PQS in each rationalized fishery.”
- The Purpose and Need Statement should also be amended to identify the need to improve notices of transfers.
- Under Action 2, Alternative 3, remove Option 1 & Option 2
- Add an additional notice to Action 5: To NMFS, as part of the annual application for IPQ, certification of a current ROFR agreement in place with the community/entity.

Motion passed 20-0, with 1 abstention.

C-6(b) Initial Review of BSAI Crab active participation requirements

The Advisory Panel recommends the Council take no further action on agenda item C-6(b) at this time. Rather, the Council should require the Bering Sea crab cooperatives to provide an annual report to the Council describing the measures they are taking to promote quota acquisition by crab crew members and active participants. These annual reports should include the following: a description of any efforts to promote QS acquisition by crab crew members and active participants and the number of transactions whereby QS is transferred to crab crew members and active participants. Motion passed 15-6.

Minority Report on C-6(b) Active Participation: A minority of the AP did not support this motion and supported a substitute motion to change the requirement under a) to “be the named owner of a vessel” and add c) OR be a CDQ or non-CDQ community entity. The minority felt that the problem statement presents a valid concern and the Council should continue to move forward with regulatory action to require active participation in the crab fishery. Delegating addressing the issue to the co-op for non-
regulatory action does not sufficiently address the problem. Forwarding this for further analysis will provide additional information about regulatory means to address this issue. Signed by: Tim Evers, Becca Robbins Gisclair, Alexus Kwachka, Chuck McCallum, Theresa Peterson and Ernie Weiss.

C-6(c) Discussion paper on BSAI Crab Cooperative Provisions for Crew

The Advisory Panel does not recommend moving forward with a regulatory amendment to address crew compensation at this time. **Motion passed 13-7.**

**Minority Report on C-6(c) Crab Cooperative provisions:** A minority of the AP did not support this motion. The minority felt that the issues of crew pay, leasing, and amount of lease rates that could be charged against crew pay needs further addressing. The minority felt that the challenges of addressing this issue illustrate the need to get things right initially in a rationalization program. Impacts on crew was one of the greatest impacts of crab rationalization, and this issue deserves additional analysis. Signed by: Tim Evers, Jeff Farvour, Becca Robbins Gisclair, Alexus Kwachka, Chuck McCallum, Theresa Peterson and Ernie Weiss.

C-6(d) Workgroup report on BSAI Crab Binding Arbitration – GKC

The AP accepted the workgroup report. **Motion passed 17-3.**

C-6(e) Discussion paper on Binding Arbitration Issues

The AP recommends that the Council move the discussion paper on binding arbitration forward for additional analysis, specifically on:

- The range of days from start of crab fishing season for lengthy season agreements
- Providing findings of arbitration to those parties involved
- Allowing either side to initiate arbitration proceedings

**Motion passed 17-3.**

**Minority Report on C-6(e) Binding Arbitration Issues:**

Lengthy season approach arbitration initiation deadline – Not one processor has asked harvesters to include the NPCA arbitration deadline in a lengthy season agreement, nor has any processor asked the arbitration associations to consider it. Until at least one processor has pursued this deadline through the existing system, it is simply not ripe for Council consideration.

Processor initiation of arbitration - Processors have the ability to initiate arbitration today; all they need to do is refuse to make a price offer for A share deliveries, or make a low ball price offer. In the allocated delivery market, harvesters have no alternative but to initiate arbitration. There is no evidence whatsoever that processors are prejudiced by the current system.

Explaining the basis for an arbitration decision to the proceeding participants – This is not the proposed change that Council staff was asked to analyze. It is a much less controversial system modification that is squarely within the jurisdiction of the arbitration organizations, and it has already been done once with their approval. This system modification does not require Council action.

Signed by: Edward Poulsen, Craig Lowenberg and Joel Peterson.
C-6(f) Crab Economic Data Reporting – Review forms and draft regulations

The AP believes the forms and draft regulatory package are consistent with the Council motion to revise EDR program and recommends the Council approve the package for implementation.

Motion passed 20-0.

D-1(a) Goals and objectives on CGOA trawl PSC tools

The AP recommends that the Council consider the following items when crafting a purpose and need statement to address concerns in the CGOA trawl fisheries:

Need
1) Stricter PSC management measures have been adopted in the CGOA trawl fisheries. The fishery management structure does not create individual vessel accountability to accomplish these new higher standards.
2) The MSA imposes Annual Catch Limits (ACLs) which can be difficult for the agency to manage since in some cases the CGOA trawl fleet catching capacity is higher than the seasonal catch limits.
3) The CGOA trawl Industry is over capitalized with more and more vessels entering the fisheries every year.
4) The public believes that the Gulf trawl industry can perform similarly to other trawl sectors such as AFA and A-80 yet the fleet does not have the same type of fishery management tools.
5) Maximum Retainable Allowances (MRAs) may result in regulatory discards, a direct conflict with NS 9 (minimize bycatch to the extent practicable).
6) The Halibut and Chinook salmon PSC caps coupled with the present limited access management structure compromises the ability of the trawl fleet to achieve Optimum Yield.
7) Voluntary fleet agreements do not provide the necessary regulatory authority for confidential data sharing, fleet enforcement mechanisms, or the ability to leverage penalties.
8) SSL measures require fishing to be spread out both temporally and spatially yet with the limited access fishery management structure it is extremely difficult to accomplish these goals.
9) Competition for PSC between sectors results in a race for fish which compromises the ability to reach OY.
10) The need to comply with National Standard 9 to reduce bycatch to the extent practicable.

Motion passed 19-0

Purpose
1) Balance National Standard objectives, particularly NS 1, to achieve Optimum Yield, and NS 9, to minimize bycatch to the extent practicable.
2) Provide mechanisms for harvesters and processors and catcher processors to manage operations to fish more slowly, strategically and cooperatively, to coordinate bycatch avoidance and best use of PSC bycatch.
3) Address National Standard 4, to provide fair and equitable allocations to promote conservation.
4) Allow for longer seasons and extended delivery patterns to stabilize both the harvesting and processing work force so that processors and harvesters can focus on increased product value and better utilization.
5) Management structure that does not erode investment in the fishery or dependency on the fishery for harvesters, processors, catcher processors and communities and not result in devaluation of one sector’s capital assets to benefit a different sector.
6) Contains measures for improved monitoring and reporting.
7) Maintain the economic strength and vitality of the trawl fisheries working waterfront.
8) Consider developing measures to allow for efficiencies in the fishery and minimize costs, where practicable.
9) Promote fishing safety, fishery conservation and cost effective management, and be designed to provide social and economic benefits to fishery participants including harvesters, processors, catcher processors and communities dependent on the fisheries.
10) Provide effective controls of prohibited species catch and other bycatch to provide for balanced and sustainable fisheries and healthy harvesting and processing sectors.
11) Maintain or increase target fisheries landings and revenues to Kodiak.
12) Maintain or increase employment opportunities for vessel crew, processing workers, and support industries.
13) Provide increased opportunities for value-added processing.
14) Maintain opportunities for fishermen to enter the fishery.
15) Maintain opportunities for processors to enter the fishery.
16) Minimize adverse economic impacts of consolidation of the harvesting or processing sectors.
17) Maximize active participation by owners of harvest vessels and fishing privileges.
18) Maintain the economic strength and vitality of Kodiak’s working waterfront.
19) Establish methods to measure success and impacts of all programs including collection and analysis of baseline and after-action data.

Motion passed 18-0.

The AP recommends that the Council adopt a control date of December 31, 2012. Any catch history after this date will not be considered in any allocation system when designing a future fishery management system. Motion passed 17-0.

The AP recommends the Council consider a separate but parallel action to address concerns for the Western GOA trawl fishery as action proceeds addressing the CGOA trawl fishery comprehensive bycatch, including adoption of a similar control date. Motion passed 17-0.

D-1(b) Discussion paper on VMS use and requirements

The AP recommends that the Council move the discussion paper forward for analysis. The AP also recommends another vessel size category of less than 40 feet LOA be added to the first bullet in the options for smaller operation exemptions. Motion passed 14-3-1.

Minority Report on D-1(b): A minority of the AP does not support moving this discussion paper forward. The restructured Observer Program coupled with the Coast Guard reauthorization Act should achieve many of the items outlined in the Purpose and Need Statement for this agenda item. VMS would duplicate equipment already existing on fishing vessels currently and required in the actions listed above and does not trigger a SAR event. Further, VMS is an unnecessary burden for many vessels already struggling for a future in Alaska’s fisheries. Signed by: Jeff Farvour, Chuck McCallum and Julianne Curry.

D-1(c) Review the Bering Sea Habitat Conservation Area Boundary

The AP applauds the efforts of the participants and recommends that the Council accept the agreement presented in the joint letter, and take no further action on this issue. Motion passed 15-0.
D-1(d) Discussion paper on Northern Bering Sea Research

The AP recommends that the Council forego any further development of a research plan for the Northern Bering Sea Research Area and maintain the current Bering Sea northern bottom trawl boundary.

Motion passed 15-0.

D-2 Staff Tasking

AP recommends the Council task staff with developing a white paper to be presented along with the Amendment 91 incentive plan reports that provides updated information on stock status of Western Alaska Chinook salmon and the most recent genetic stock identification information from BSAI Chinook salmon bycatch.

Motion passed 15-0.
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Sources: 2012 OFLs, ABCs, and TACs and 2013 OFLs and ABCs are from harvest specifications adopted by the Council in December 2011; 2014 OFLs and ABCs equal 2013; 2012 catches through September 1 from AKR Catch Accounting.
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Sources: 2012 OFLs, ABCs, and TACs and 2013 OFLs, ABCs, and TACs are from harvest specifications adopted by the Council in December 2011; 2014 OFLs, ABCs, and TACs equal 2013; 2012 catches through September 1 from AKR Catch Accounting.
REPORT of the
SCIENTIFIC AND STATISTICAL COMMITTEE
to the
NORTH PACIFIC FISHERY MANAGEMENT COUNCIL
October 1st – October 3rd, 2012

The SSC met from October 1st through October 3rd at the Hilton Hotel, Anchorage AK.

Members present were:

Pat Livingston, Chair
NOAA Fisheries—AFSC

Henry Cheng
Wash. Dept. of Fish and Wildlife

Anne Hollowed
NOAA Fisheries—AFSC

Kathy Kuletz
US Fish and Wildlife Service

Jim Murphy
University of Alaska Anchorage

Kate Reedy-Maschner
Idaho State University Pocatello

Robert Clark, Vice Chair
Alaska Department of Fish and Game

Alison Dauble
Oregon Dept. of Fish and Wildlife

George Hunt
University of Washington

Seth Macinko
University of Rhode Island

Lew Queirolo
NOAA Fisheries—Alaska Region

Farron Wallace
NOAA Fisheries—AFSC

Jennifer Burns
University of Alaska Anchorage

Sherri Dressel
Alaska Department of Fish and Game

Gordon Kruse
University of Alaska Fairbanks

Franz Mueter
University of Alaska Fairbanks

Terry Quinn
University of Alaska Fairbanks

Ray Webster
International Pacific Halibut Commission

B-1(b) Plan Team nominations

The SSC reviewed the Plan Team nominations of Christopher Siddon to the Bering Sea and Aleutian Islands Groundfish Plan Team, and Elisa Russ and Mark Stichert to the Gulf of Alaska Groundfish Plan Team. The SSC finds all three individuals to be well qualified, with appropriate expertise that will assist each of the Plan Teams. The SSC recommends that the Council approve these nominations.

C-1(c) Charter Halibut: Review Methodology for 2013 limits

Scott Meyer (ADFG) presented a discussion of preferred methods for projecting charter halibut yields in IPHC Areas 3A and 2C under several alternative management measures. Jane DiCosimo (NPFMC) provided context for the analysis by discussing the status of the proposed commercial/charter catch sharing plan for Pacific halibut, and the process by which the Council and the IPHC put charter halibut control measures into regulation. Gregg Williams (IPHC) outlined a potential change in setting CEYs for Pacific halibut to an approach that explicitly evaluates risks to the stock. Roland Maw (United Cook Inlet
Drift Association), Bruce Gabrys (commercial and sport fisherman), and Linda Behnken (Halibut Coalition) gave public testimony.

The analyst outlined a number of methods for projecting charter halibut harvest under different management restrictions, along with an approach to estimating discard mortality. The SSC supports the choice of projection methods given the uncertainty in future harvest due to the effects of management actions on charter behavior and due to changes in the underlying size distributions of the stock. These methods are appropriately conservative in tending to give projected estimates that are likely higher than the realized harvest.

The SSC recommends that consideration be given to getting records of the condition of discarded fish in the charter fleet to improve estimates of discard mortality rates. The SSC recognizes that, with variability among charter operators' practices and geographical differences in size distribution, it will be important to ensure that such data are representative of all discards. During discussion, the SSC noted that the greatest uncertainty in estimating total discard mortality is due to the lack of data on the size distribution of discarded halibut, which cannot be improved without measurement of discarded fish.

The SSC supports the examination of changes in the size distribution of halibut for subsets of IPHC setline survey stations in areas of the greatest charter harvest in order to help understand how changes in stock composition may affect projections of harvest.

The SSC recognizes that understanding human behavior is especially critical in anticipating the differential impacts associated with the form that charter halibut catch management may dictate. Charter halibut operations market an opportunity to realize a priori expectations. At present, our understanding of how prospective anglers' expectations are influenced by halibut retention regulations is largely based on anecdotal information. Yet, even these anecdotes suggest the form of catch retention that management regulations take (e.g., one-fish, reverse slot, maximum length) has the potential to profoundly affect economic demand for charter fishing trips. Analysis of the differential impacts of varying catch size composition and retention rules on halibut charter demand should be a priority. The SSC recommends examination of the structural factors influencing consumer behavior, as reflected, for example, in changes in willingness-to-pay (WTP) for charter halibut trips.

Regarding the time series forecasting models, the SSC suggested the use of corrected Akaike Information Criterion (AICc) or similar criteria for model selection, and recommended that 95% confidence intervals be presented to convey forecast uncertainty. There may be bias in model selection when the mean squared difference is used as a basis for comparing the mean, moving average, exponential smoothing and double exponential smoothing models. This will also affect the modeling framework and the detection of trends in the series.

The analysis represents a time series analysis and could be cast in a general Autoregressive Integrated Moving Average (ARIMA) modeling framework because the double exponential, single exponential, and mean smoothing of a data series are special cases of ARIMA(0,2,2), ARIMA (0,1,1), and ARIMA(0,0,0) processes.

Therefore, the analysis should consider using:

1. ACF, differencing (ARIMA(0,1,0)) and unit roots test (for stationarity and invertibility) to objectively identify whether there is a trend;
2. AICc and Bayesian Information Criterion (BIC) for the choice of statistical models (ARIMA(p,d,q));
3. all available data to fit all possible models instead of dropping the first 6 points. This can help to lower the uncertainty of the predicted values. The exponential smoothing model only requires one starting point instead of six points.
The first order differencing ARIMA(0,1,0) is a powerful tool to identify the trend and allows the model to satisfy both the stationarity and invertibility criteria. It is not likely that the second order differencing (ARIMA(0,2,0)) will be needed.

Research Needs
1) There is a need for research on the handling mortality of sport-caught halibut that are released as discards. Information on how the fish were handled, size of fish and fishing gear used is required.
2) There is a need for research on how prospective anglers' expectations are influenced by halibut retention regulations. The research should cover economic implications in terms of trips taken and what fish could/will be retained.

C-2(a) Groundfish Plan Team reports
The SSC received presentations from Grant Thompson (NMFS-AFSC) and Diana Stram (NPFMC) on a number of recommendations from the BSAI and GOA Plan teams. For the most part, the SSC supports the GPT recommendations, but also had comments and additional recommendations on some of the items presented that are provided below.

Retrospective Analysis
A retrospective pattern is a systematic inconsistency among a series of estimates of the population size, or related assessment variables, based on increasing periods of data. The SSC concurs with the working group and the Groundfish Plan Team (GPT) recommendation that for Alaska groundfish assessments with Tiers 1-3 age-structured models, a retrospective analysis should be done as part of the model evaluation.

The working group authors provided three examples with possible biological explanations in the report. They may consider various approaches to improve the proposed model based on the retrospective patterns in the estimated spawning biomass series. These include:
1. adding one or more unknown parameters when there is a sudden jump in the sequential retrospective pattern;
2. evaluating the robustness of the estimated virgin spawning biomass and how it changes when including additional years of data in the model; and
3. considering whether the input parameter(s) has/have reasonable value(s).

It may help the GPT to adapt or abandon the use of estimated $B_0$ and/or $B_{MSY}$. The estimated spawning biomass is not a direct estimate from the model output. Spawning biomass varies with the proposed model and is a byproduct of several estimates from the model output. Therefore it is challenging to determine whether the retrospective pattern is caused by data and/or the proposed model. The authors can investigate the retrospective pattern of the estimated catch of all age classes over legal size because they are direct estimates from the model and can be compared directly with the observed catch data.

Methods for Survey Averaging
There are at least three reasons for wanting to average survey abundance or biomass over time: (a) to obtain a good estimate of biomass for use in Tier 5 calculations, (b) to apportion biomass to subareas, and (c) to interpolate between survey data points. The appropriate method for each reason could be different. The Joint Groundfish Plan Team discussed Kalman filter (KF) and random effects (RE) models as alternatives to unweighted or weighted averaging techniques, which have been used for the most part in groundfish stock assessments.

The SSC encourages authors or the GPT to document the Kalman filter (KF) and random effects (RE) models that were proposed for use in assessments. The inclusion of equations describing the models can
help reviewers identify the structure of errors in the observation and state equations. Identification of over-parameterization in the KF approach is very difficult, so the authors should check whether they have sufficient replicates and data for their proposed model.

The Discussion section of the report could be strengthened to include a more general discussion of the advantages and disadvantages of the alternative weighting methods, so that the recommendations do not appear to depend so strongly on a single simulation study. For example, it is worth noting that in general, bias will increase with increasing weight given to past observations when there is a trend in the data, and that this is a particularly undesirable property of the equal-weighting methods. Precision, on the other hand, will generally improve as more data are included. The KF essentially balances bias and precision, leading to estimates that are both more precise than using a single survey, but generally have relatively little bias compared to more naive weighting methods. In addition, the KF approach can model process errors, measurement errors and random effects into one likelihood that is free of high dimensional integrals. The RE models usually help the authors to understand the correlation of two random effects and the prediction ability of RE models is the same as the fixed effects models.

Regarding the tables of simulation results, the final rows of each table contain averages over all previous rows. These rows do not generally provide a meaningful comparison of the methods and should be removed. For example, a weighting scheme that is strongly negatively biased when the trend is positive, but positively biased when the trend is downward, will not seem so bad when biases are averaged over both types of trend.

The SSC concurs with the Team that stock assessment authors for Tier 5 groundfish stocks should continue to use status quo methods for survey averaging, and should continue to explore KF or RE estimates, so that experience can be gained over time in how similar or different the estimates are from the two approaches.

BSAI and GOA Pacific cod models
Grant Thompson (NMFS-AFSC) and Diana Stram (NPFMC) presented Plan Team recommendations for models that will go forward for consideration at the November Plan Team meeting. These models are based on proposals by the senior assessment author(s), the Plan Teams, the SSC, and the public following the process established in recent years. For the BS Pacific cod stock, the Plan Team recommends including the currently accepted model (Model 1) and Model 5 because it is parsimonious and includes a number of features that improve fit to the data. The Plan Team recommended the author bring forward a version of Model 5 that incorporates time-varying selectivity for the fishery, if time permits. The SSC supports Plan Team recommendations and encourages the author - if time permits - to bring forward a model that considers time varying survey Q to evaluate its effect on model fit. The SSC also agrees with the Plan Team request for the author to bring forward Models 1.1 and 4 to provide a check on the candidate models. In response to a previous SSC request, the author completely re-parameterized the inter- and intra-annual weight-length relationship in a way that follows an explicit phenological process and is biologically reasonable. This change is incorporated in Model 5. The SSC believes this provides a significant improvement in the fit to the data that should be carried forward in Model 5. The approach could also serve as a model for other assessments.

The Plan Team reviewed two models for Aleutian Island Pacific cod. Model 1 was based on the EBS model, but with only one season. Model 2 was like Model 1, but included time-varying growth. These models illustrated that there is an obvious trade-off between modeling growth and recruitment. The Plan Team recommends that the two models presented in the preliminary assessment be updated with the most recent data and be brought forward for presentation at the November Plan Team meeting so as to continue progress on development of this assessment. The SSC agrees with Plan Team recommendations and looks forward to further development of the Aleutian Island model. The author mentioned that he has requested ageing of historical samples and intends to incorporate these into further assessments. Also, the
development of an empirical growth relationship outside of the assessment model would be informative. When the SSC judges this assessment as appropriate for setting management benchmarks, it will be used to set separate OFL and ABC for the Aleutian Island Pacific cod stock. This could happen as soon as the next assessment cycle (2014 fishing season).

The Plan Team reviewed a suite of GOA Pacific cod models that centered on SSC, Plan Team and public comments and recommendations. The Plan Team recommended that the base model used last year be brought forward for consideration in November and that the authors explore models that consider fixed Q, drop the sub 27 size category, drop the mean length-at-age data and authors’ preferred model. The SSC agrees with Plan Team recommendations and looks forward to future model developments and a more thorough documentation of the recent model improvements.

**Kamchatka Flounder Model**

Kamchatka flounder are currently managed under Tier 5 using an estimate of natural mortality (M) and 7-year averages of trawl survey biomass from the Bering Sea shelf and slope and Aleutian Islands. Kamchatka flounder have been distinguished from arrowtooth flounder in the survey since about 1991 or 1992 and in the fishery since 2007. Arrowtooth and Kamchatka flounder have been managed separately since 2011 because a directed fishery emerged for Kamchatka flounder in 2010.

The analysts developed a provisional sex-specific length-based assessment model that also estimates numbers at age with a length-age matrix. Inputs include catches from the EBS shelf and slope surveys and Aleutian Islands survey. Species-specific commercial catches are available only since 2007. Over the period of 1991 to 2006, it is assumed that Kamchatka flounder constituted 10% of the catch comprised of Kamchatka flounder, arrowtooth flounder, and Greenland turbot.

The Plan Team recommended additional sensitivity analyses of alternative values of M, further development of the age-structured model to be reported in September 2013, and inclusion of an alternative Tier 5 analysis using M=0.13. The SSC appreciates the efforts of the analysts to develop this initial assessment for this species and supports the Plan Team’s requests of the analysts. In addition to those, the SSC adds the following requests:

1. Report on what is known (or assumed) about stock structure. The assumption seems to be that Kamchatka flounder from the EBS and Aleutian Islands represent one stock. Are there any data at all that can be brought to bear on stock structure? For instance, do length/age frequency distributions from the Aleutians and EBS suggest synchrony in year classes?

2. Evaluate the sensitivity of the assessment to the assumption that Kamchatka flounder of a fixed sex ratio constituted 10% of the catch of arrowtooth flounder and Greenland turbot over 1991-2006. Also, the assessment reports that Kamchatka flounder have been consistently identified in trawl surveys starting in 1991 (executive summary) or 1992 (introduction). Does the start year of the time series affect the resulting assessment?

3. Report on the sex ratio of the commercial and survey catches, as well as the estimated population.

4. The weight-length relationships shown in the upper and lower panels of Fig. 7-6 appear to be identical. One of the two must be in error.

5. Consider whether any other methods (e.g., Alverson and Carney, Jensen) are available to generate alternative estimates of M. Also, consider whether there is evidence for different estimates of M for males and females. Is there evidence of sex-specific M’s for closely related species?

6. Report whether data are available to examine potential changes in growth over time. Given the similarity in diets among Kamchatka and arrowtooth flounder and the increase in arrowtooth flounder biomass, there may be potential for changes in growth of Kamchatka flounder over time.
If the reported size at age data for the Aleutian Islands in 2010 represents the only such data available, then such an analysis is not possible at this time.

7. In Fig. 7-5, consider truncating the x-axes so that the length-frequency histograms are spread out and easier to examine for year-to-year modal progressions.

8. The analysis assumes dome-shaped selectivity for the shelf survey and asymptotic selectivity for the slope and Aleutian Islands survey. Some justification is provided. Consider evaluating the sensitivity of the assessment to these assumptions.

9. Report what weightings were used for the three surveys. Confidence intervals appear to be tighter for the shelf survey compared to the slope and Aleutian Islands survey. Consider evaluating the sensitivity of the assessment to alternative weighting of the three survey time series. Also, the model appears to overestimate periods of low shelf survey biomass and underestimate periods of high shelf survey biomass (Fig. 7-16). Why? Are there potential model misspecifications? Would this residual pattern be addressed with higher M estimates?

10. What is the justification for the sharp drop in full-selection F from 2009 to 2011? This appears to be counterintuitive, given that this is the time period corresponding to development of the targeted Kamchatka flounder fishery.

11. Explain the years that are represented in the averages shown in Fig. 7-18 in the associated figure caption.

12. Consider including tables of resultant population estimates (numbers or biomass) at age and time series of estimated recruitment.

13. Present and discuss model fit diagnostics (e.g., residuals) and discuss the model’s ability to replicate the various input data series.

To the extent possible, the SSC recommends that the author address some of the more minor issues above in time for the November/December 2012 assessment cycle. The SSC looks forward to further model development to address the other more substantial issues in the next assessment cycle.

**Greenland Turbot update**

There were major changes made to this assessment, so it is being vetted to the Plan Team and SSC per standard operating procedure. The SSC supports the recommendations of the Plan Team. In their description of the models with varying SigmaR, the authors use the word "parsimonious" when they appear to mean "best fitting" or something similar, and we request the authors correct this to avoid confusion over the nature of the models being fitted.

**BSAI Skates**

There were major changes made to this assessment, so it is being vetted to the Plan Team and SSC per standard operating procedure. The author used the updated version 3 of Stock Synthesis, and a Schnute growth curve rather than a von Bertalanffy curve. Fishery and survey selectivities are allowed to be dome-shaped, and a new density-dependent survivorship function developed by Mark Maunder is used. The oldest age is increased from 25 to 30, and only the most recent year of length-at-age data is used.

These changes result in modest increases in biomass, fishing mortality, ABC, and OFL. The Plan Team approved of the changes to the assessment and recommended that three models be developed for November/December: the model with last year’s configuration, the revised model with fixed growth parameters as proposed by the author, and an extension of the new model, in which growth parameters are estimated internally in the model. The Plan Team also recommended that the author try lowering the starting size of the plus group to 110 cm. The SSC concurs with these recommendations but also
recommends an additional model with all three length-at-age datasets be considered for November/December.

C-2(b) Groundfish Catch Specifications
The SSC received a presentation from Grant Thompson (NMFS-AFSC) and Diana Stram (NPFMC) on the proposed harvest specifications for groundfish in both the BSAI and the GOA for 2013 and 2014. The SSC recommends approval of these specifications.

C-3 Observer Program
A presentation was given by Craig Faunce (NMFS-AFSC) on the NMFS Annual Deployment Plan (ADP) for the North Pacific Groundfish Observer Program in 2013. Public testimony was provided by Rachel Dunkersloot (Alaska Marine Conservation Council), Paul Olson (The Boat Company), Dan Falvey (Alaska Longline Fishermen’s Association), and Jon Warrenchuk (Oceana).

The SSC appreciates the extensive work done to finalize the ADP. The plan provides details on the rationale for the rate of observing to contain program costs and explains the mechanics of observing catches at sea and dockside sampling for groundfish fisheries in the Gulf of Alaska and Bering Sea/Aleutian Islands. While the ADP is not a regulatory document, the SSC was asked to provide comments on adequacy of the sampling design to achieve the multiple goals of the observer program. We primarily focused our comments on methods and rates of observing the partially-observed strata (trip selection for vessels >57.5’ and vessel selection for vessels 40 to 57.5’) in the ADP since very few changes were made to methods for 100% observed vessels. Our general comments on the sampling design are:

- The new sampling design for partially-observed vessel types is a significant improvement over the current sampling design in that a single rate (13%) is applied to all strata and the selection of either vessels or trips is completely randomized to avoid the observer effect thought to exist in the current deployment plan. This will greatly increase the likelihood that statistics derived from observed trips are unbiased with respect to the unobserved trips.
- The sampling design and rate for 2013 represents an initial effort to deploy a completely randomized design with equal coverage across all partially-observed vessels greater than 40 feet in length. It is likely that this initial effort will not be optimal with respect to management needs and cost-benefit. We envision that once these data are collected and analyzed, revisions to the design and overall ADP will be forthcoming to attempt to optimize the deployment of observers to meet Council management objectives and priorities, and deliver the highest precision possible per dollar spent on the observing program.
- We also recognize that efforts to optimize the sampling design in the future will require that a set of performance measures be developed to guide improvements in the face of multiple and complex management objectives. Performance indicators will need to specify target levels, control levels, and frequency of evaluation.
- Responses to logistical concerns in deploying observers will also have to evolve over time as newly observed fleets respond to implementation of the 2013 ADP.
- As the ADP evolves in future years, we anticipate that sampling rates in each stratum, duration of observing needed in the trip-selection stratum, and the use of Electronic Monitoring devices will all change as a result of information acquired under the new sampling design.

The SSC also had the following specific technical suggestions on development of the ADP in the future:
- Review the randomization method in the sampling protocols to assess whether there is possible bias, correlation and autocorrelation among sampling points or data.
- Provide rationale for the choice of 90% as described in the statement "The rate of sampling will be iteratively adjusted until a set of C values is achieved such that 90% of them were at or below
the $4.2M amount that equates to 2013 start-up funds." In addition, the authors should rerun the simulation with replicates to get the variance of the sampling rate.

- Consider use of balanced sampling in order to improve the efficiency of the sampling design with limited sampling effort.
- Consider use of balanced bootstrapping or simulation techniques in the simulation, and/or derive the parametric distribution analytically. This can help to review and check the simulation results for bias.
- Set and record the seed in the simulation as it can help potential reviewers to repeat and verify the simulation results.

C-4(b) Steller Sea Lion EIS analytical approach

Chapter 8 – RIR methods

Ben Muse (NMFS-AKR) presented the analytical framework that will be used in the RIR for the Steller Sea Lion Protection Measures EIS. Public testimony was provided by David Fraser (Adak Community Development Corp.).

The SSC was asked to focus on methodological considerations, emphasizing their relevance, appropriateness, and adequacy to carry-out the mandatory economic and socioeconomic impact analyses, including distribution considerations associated with the SSL EIS.

The presentation was excellent and very informative. In general, the SSC believes that the methodology is sound, well established, and reasonable. When these economic analytical protocols are applied to the biological, ecological, and administrative attributes associated with the action, the SSC believes one can anticipate a meaningful, informative, and technically sufficient RIR/IRFA.

There are a few elements of the RIR that should be modified or clarified. The document would benefit from more information on how cost items were allocated into fixed vs. variable costs in Table 8.20. In particular, maintenance is assumed to be split evenly between the two, but the basis for the assumption is not stated.

As the document evolves, it is important for the authors to clearly and accurately portray how the cost information should be used. The RIR estimates that variable costs are roughly 51%-57% of gross revenue. It appears that this ratio is assumed to be constant across all the alternatives. If so, then the use of variable costs will contribute no additional information in comparing alternatives than is already provided by gross revenue estimates. This is because all revenue estimates will be adjusted by the same, constant amount, and therefore, the relative impacts of the alternatives in terms of both ranking and ratios will be identical for gross revenue and net revenue estimates. Although the use of net revenue estimates will not be useful for evaluating alternatives, they may provide a rough estimate of the financial impacts on the impacted fisheries. In the future, the SSC hopes that a framework will be developed that will allow for a more robust use of cost information, including relaxing the assumption that alternatives may impact revenue, but will have no impact on the variable cost ratio.

The document includes a discussion of the contingent valuation estimates of the willingness-to-pay (WTP) for changes in sea lion populations. In the background section (8.2.11), the document provides estimates for the WTP for 1% and 2% increases in sea lion populations. Given that the RPA does not predict an increase in populations, the RIR needs to justify the basis upon which it is deriving benefit estimates based on a 1% or 2% increase. If the purpose is to provide a rough sense of the order of magnitude of the benefits, then this should be made clear.
The discussion of fishery taxes (section 8.2.12) seems to include all taxes in the communities, not just those taxes received from the potentially impacted fisheries. To facilitate a more accurate assessment of the potential impacts to the communities, it would be helpful if the discussion is clear about the share of tax revenues that could be affected. To the extent practicable, the accompanying tables should separate out tax revenues from the potentially impacted fisheries.

One pertinent consideration offered in public comment warrants additional evaluation. Because of the unique status of the community of Adak, provided under several Congressional mandates and Council actions, the suggestion was made that the period following the 2000 SSL BiOp is not reliable or reflective of the community-based fishing effort, targeting patterns, or catch deliveries characteristic of Adak-adjacent areas. By limiting the economic analysis to post-2000 fishing data, a biased image of Adak’s involvement in and dependence upon regional groundfish fisheries may be introduced. The SSC therefore suggests that the analysts consider inclusion of pre-2000 fishing data in their baseline description and subsequent impact analysis, as may appear warranted upon review.

The SSC endorses the proposed methodological approach for performance of the SSL EIS Chapter 8 RIR/IRFA.

Chapter 10 – Community Impacts
Presentations were provided by Ben Muse (NMFS-AKR) and Mike Downs (AECOM). There was no public testimony.

This is a preliminary draft of the Community Impacts chapter for the SSL Protection Measures EIS in which the SSC is asked to comment on the methodology to inform revisions and completion of the remainder of the EIS. As the authors noted, some sections are more complete than others owing to the short time between contracting the work and the deadline for this initial review draft. The SSC commends the authors on the volume and high quality of data and analysis that was rapidly assembled for this initial review, acknowledging that there are still many incomplete sections.

The SSC noted that contracting the compilation and analyses of existing data to inform an action may not capture the changing nature of communities and their evolving capacities to respond to policy changes, and suggests contracting new data collection efforts when community impact analyses are needed. Fieldwork, especially in Adak, would strengthen sections where there may be no available data, but the SSC understands that this will likely not be performed for this analysis because of budget and time concerns. Given these constraints, phone calls to communities and stakeholders are reasonable substitutes. For future studies, the SSC recommend that resources be directed to support fieldwork in communities.

With reference to the Principal Components Analysis, in which a ranking of community engagement was performed, the SSC notes that the eight variables are subjective, and changing any of these variables could change the ranking. Variables to consider are proximity to the fishery, community dependency on the fishery, among many possibilities. If the current variables are retained, a rationale for selecting these should be provided.

Given the village of Atka’s status as the top subsistence harvester of Steller sea lions in the State, and their new capacity for processing Pacific cod, this community should be included more directly in the analysis. It was also noted that it is likely that subsistence harvesting in Adak is more frequent than is acknowledged in the document.

It was noted that, in a few places, the presentation of statistics can dramatically alter the characterization of a situation. For example, it would be more telling for community impacts to express Adak’s vessel engagement in the Pacific cod fishery in the AI subarea as a proportion of Adak’s fleet, not as a
proportion of the total fixed gear catcher vessels fishing the area (p. 50). If there is a single vessel participating, it still amounts to 50% of Adak’s fleet (p. 31). Statistical descriptions should be carefully evaluated for their portrayal of community impacts.

C-5(b) AFA Vessel Replacement GOA Sideboards
The SSC received a presentation of the draft analysis from Mark Fina (NPFMC). Public testimony was provided by Brent Paine (United Catcher Boats).

This document presents a clear identification of the suite of alternatives under consideration by the Council to address the structural change made in the original AFA, by implementation of the Coast Guard Act (CGA). The document lays out the elemental components that differ among the no action alternative, the 'status quo' alternative (that differs from no action here), and several options for treating the ambiguities that emerge from imprecise or incomplete articulation of AFA modifications in the CGA.

The draft also does a nice job statistically documenting the historical participation, catch, gross revenues, product outputs and forms, etc., from the BS and GOA fisheries that have been prosecuted by vessels that may be affected by this action. The descriptive content is robust.

Armed with a clear articulation of the problem, detailed treatment of the competing alternatives and the empirical data just mentioned, the next step in this RIR/IRFA should be an "analysis of expected economic, socioeconomic, and distributional outcomes" of each action alternative, compared to the baseline. This last critical step hasn’t been initiated in this draft. Questions that need to be addressed include: What purpose did AFA have in prohibiting vessel replacement except in extreme cases of loss? What costs have emerged from these constraints? Have there been benefits to the fisheries, communities, participants from this limitation? What purpose did the CGA have in modifying these restrictive rules? What costs did the authors see in the original limitations and how would the liberalization affect the economic performance (in all its relevant dimensions) in the AFA fishery and those other groundfish target fisheries in the GOA and BSAI, with or without sideboards and exemptions? Do economic and operational incentives exist (or can they be anticipated) that will result in exercising these liberalized replacement rules? What role may cooperative fishery management structures play in the patterns of replacement, effort redistribution, monitoring complexities and burdens, etc., under these action alternatives?

Beyond the AFA fleet-specific questions, one must ask: What forms will economic and socioeconomic changes in response to each alternative likely take? Are there employment impacts? Will consumers realize changes in price, quality, or supply? Are there spill-over effects that may result in benefits, costs, distributional changes, management costs or complexities? What might one conclude about the net benefit to the Nation of each alternative action? How are impacts distributed across entities, by size category?

Not every one of these topics will have a nexus to the choice set under consideration, but the analysis has an obligation to raise the question. This has not been sufficiently attempted in this early draft. The opportunity to meet these obligations before release for public review should be exercised. The SSC recommends not releasing this draft for public review.

C-6(a) BSAI Crab Modifications to Community Provisions
The SSC received a presentation of the draft analysis from Mark Fina (NPFMC). Public testimony was received from Steve Minor (North Pacific Crab Association) and Frank Kelty (City of Unalaska).

The SSC recommends that the analysis be released for public review following revisions to address comments made below.
The SSC commends the analyst for the work performed on what is a challenging assignment. This is, however, a difficult document to read and the SSC is concerned about its “accessibility” to a general audience. This concern is not a reflection on the author, but rather, the convoluted nature of the document is a direct result of the choices made by the Council in trying to safeguard communities from the particular program designed for the crab fisheries in the BSAI. The SSC urges the author to try to make explanations of the Council’s menu of options as easily comprehensible as possible.

The contemplated actions inevitably involve a clash of interests between those vested with processing quota shares via the crab program designed by the Council and communities that the Council is also concerned about. Care should be taken in the choice of language used to describe tradeoffs to avoid a vocabulary that appears to favor one set of interests over another (e.g., “interfere,” “impinge,” “disrupt”).

It appears that there is considerable variation in the level of transparency involved in the relationship between “entities” (created under the ROFR provision) and the actual communities of concern. The analysis would benefit from additional information about the nature of the relationship between the communities of concern and the entities that represent them in terms of the ROFR provision.

Statements in the document regarding the likely impact on net benefits to the nation and distributional zero sum games between communities need to be more carefully qualified. If society values the existence of isolated communities featuring single processing operations, then it is not clear that the transfer of PQS to larger, more diverse communities is a mere distributional issue. If on the other hand, none of the ROFR options under consideration can prevent such a transfer, then the current assessment of effects on net benefits may be more plausible. The document should be revised to treat the discussion of inter-community tradeoffs with more care and to appropriately qualify the statement about effects on net benefits.

**C-6(b) BSAI Crab active participation requirements**

The SSC received a presentation of the draft RIR/IRFA from Mark Fina (NPFMC). Public testimony was provided by Mark Gleason (Alaska Bering Sea Crabbers), by Joe Sullivan (Intercooperative Exchange), and Edward Paulson (representing himself).

Based upon the presentation and the SSC’s reading of the initial draft document, it is apparent that key policy and design questions, necessary to proceed to a complete and informed analytical package, have not been adequately formulated by the Council. The analyst systematically enumerates each of these missing components, providing a clear list of each decision point, and requests specific Council guidance. At present, the draft is fragmented, and deficient. Further progress on this action is dependent upon the Council providing direction on its expectations for the management action.

Assuming the Council chooses to proceed with a revised Active Participation action, the SSC did identify several specific concerns with the analytical content of the current draft that may be relevant. There are several specific arguments made in the draft that should be clarified or reconsidered in any subsequent draft. On page 16, for example, under Price Effects, the assertion is made that “Shares are likely to trade at a free market price ...” and further that price effects are likely to be small. This may be true, but it is important to note that any time one imposes a constraint on the pool of eligible buyers, the price will decrease, all else equal. The QS market is substantially constrained.

The discussion of the influence of CDQ groups on demand and price in this market further confounds the ‘free market price’ assertion. The analysis observes that CDQ groups “… may be willing to pay premium prices (for crab QS).” Given CDQ groups enjoy market-distorting advantages (e.g., subsidized allocations, small entity status), their presence in this market has a substantial potential to influence...
demand and, thus, market prices. In such an economic environment, one would not expect the "predicted" free market price outcome. A more nuanced discussion of the market for shares is recommended.

On another point, while the general intent of the action alternative seems reasonably clear (i.e., to facilitate transfer of owner-QS to active participants), there is a question as to why the Council would wish to constrain "permanent transfers" (implicitly) on the seller’s side of the transaction. It would appear that if a non-participating QS owner wished to divest his/her/its holdings, that would be in full accord with the purpose of the action and should not be impinged. At present, the action alternative imposes a limit on the seller. However, if the SSC correctly interprets Council intent, the alternative could be modified to say, "To be eligible to permanently acquire and retain...", in which case, the reasoning would be clear and the action would better comport with the action objectives.

In the top section of page 23 of the draft, the text expresses concern that excessively high "landings thresholds" (i.e., active participation levels) could disadvantage crewmembers seeking to acquire QS, despite their consistent participation in the fishery in question. The analysis gives as an example crew aboard vessels that are consistently active, but catch relatively small amounts of crab during the season. This can result in the risk of failure to consistently, year-in-year-out, meet catch threshold requirements. The SSC notes two matters requiring further examination. The first is to examine whether setting the landings minimum threshold, as proposed, accomplishes the outcome the Council wishes for the program. The analyst must look to the Council for guidance.

The second consideration is perhaps less evident, at least in the SSC’s reading of the analysis. It is not clear from the draft how QS, owned by a crewmember that is annually on the knife’s edge of qualification as ‘active’, would be managed? That is, once owner-QS is acquired, what provisions exist for suspension or revocation (of attributable IFQ) if, in years subsequent to the acquisition, the minimum threshold is not met?

The administrative mechanism needed to implement such a program is not presented (e.g., an administrative appeal process, disposition of withheld IFQ, season harvest impacts) and attributable cost, funding source, distribution affects are undefined.

While the kernel of the management action is clearly presented by the Council in its Purpose and Need statement, the analysis may require further Council guidance to determine if this is the optimal way to meet the objective.

The SSC recommends that the draft not be released at this time. Further development of the action must await guidance from the Council. The SSC would welcome the opportunity to review a revised document, should the Council choose to proceed with this action.

C-6(g) Crab SAFE
Diana Stram (NPFMC) and Bob Foy (NMFS-AFSC, CPT Chair) presented the Crab Plan Team report and sections of the Crab SAFE. The SSC reviewed the SAFE chapters and information provided by the Plan Team with respect to the stock status information from 2011/2012 relative to total catch in that time period (Table 1). The SSC notes that no stock was subject to overfishing in 2011/2012. In addition, Table 2 contains the SSC recommendations for 2012/2013 for stocks.

The Crab Plan Team requested clarification from the SSC on the general utility of the maxABC control rule. The SSC agrees that applying a 10% buffer to set ABC below OFL remains appropriate until parameter and model uncertainty can be more appropriately quantified, which will probably require a
broader discussion of structural uncertainties across both crab and groundfish assessments. The SSC recommends that a workgroup of some CPT and SSC members be established to revisit this issue.

Table 1. Information for overfishing determination for BSAI crab stocks for 2011/12. Values are in thousand metric tons (kt).

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Stock</th>
<th>2011/12 OFL</th>
<th>2011/12 ABC</th>
<th>2011/12 Total catch</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>EBS snow crab</td>
<td>73.5</td>
<td>66.15</td>
<td>44.7</td>
</tr>
<tr>
<td>2</td>
<td>BB red crab</td>
<td>8.80</td>
<td>7.92</td>
<td>4.09</td>
</tr>
<tr>
<td>3</td>
<td>EBS crab</td>
<td>2.75</td>
<td>2.48</td>
<td>1.24</td>
</tr>
<tr>
<td>4</td>
<td>Pribilof Islands red king crab</td>
<td>0.393</td>
<td>0.307</td>
<td>0.005</td>
</tr>
<tr>
<td>5</td>
<td>Pribilof Islands blue king crab</td>
<td>0.00116</td>
<td>0.00104</td>
<td>0.0004</td>
</tr>
<tr>
<td>6</td>
<td>St. Matthew Island blue king crab</td>
<td>1.70 [total male catch]</td>
<td>1.5 [total male catch]</td>
<td>0.95 [total male catch]</td>
</tr>
<tr>
<td>7</td>
<td>Norton Sound red king crab</td>
<td>0.30</td>
<td>0.27</td>
<td>0.20</td>
</tr>
<tr>
<td>8</td>
<td>AI golden crab</td>
<td>5.17</td>
<td>4.66</td>
<td>2.95</td>
</tr>
<tr>
<td>9</td>
<td>Pribilof Islands golden crab</td>
<td>0.09</td>
<td>0.08</td>
<td>Conf.</td>
</tr>
<tr>
<td>10</td>
<td>Adak red king crab</td>
<td>0.05</td>
<td>0.014</td>
<td>0.02</td>
</tr>
</tbody>
</table>
Table 2. SSC recommendations for 2012/2013 (stocks 1-6). Note that recommendations for stocks 7-10 represent those final values recommended by the SSC in June 2012. Bold indicates where SSC recommendations differ from Crab Plan Team recommendations. Note diagonal fill indicated parameters not applicable for that tier level. Values are in thousand metric tons (kt).

<table>
<thead>
<tr>
<th>Chapter Stock</th>
<th>Tier</th>
<th>Status (a,b,c)</th>
<th>( F_{\text{OFL}} )</th>
<th>( B_{\text{MSY or proxy}} )</th>
<th>Years (^1) (biomass or catch)</th>
<th>( \gamma )</th>
<th>2012/13 (^2) MMB (MMB)</th>
<th>2012 MMB (_{\text{MSY}})</th>
<th>Mortality (M)</th>
<th>2012/13 OFL</th>
<th>2012/13 ABC</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 EBS snow crab</td>
<td>3 b</td>
<td>1.42</td>
<td>154.7</td>
<td>1979-current [recruitment]</td>
<td>146.3</td>
<td>0.95</td>
<td>0.23(females)</td>
<td>0.329 (imm)</td>
<td>0.273 (mat males)</td>
<td>67.8</td>
<td>61.02</td>
</tr>
<tr>
<td>2 BB red king crab</td>
<td>3 b</td>
<td>0.31</td>
<td>27.5</td>
<td>1984-current [recruitment]</td>
<td>26.32</td>
<td>0.96</td>
<td>0.18 default Estimated(^4)</td>
<td>7.96</td>
<td>7.17</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 EBS Tanner crab</td>
<td>3 a</td>
<td>0.61</td>
<td>33.45</td>
<td>1982-current [recruitment]</td>
<td>42.74</td>
<td>1.28</td>
<td>0.337 (females), 0.252 (mat males), 0.249 (imm males and females)</td>
<td>19.00</td>
<td>8.17</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 Pribilof Islands red king crab</td>
<td>4 b</td>
<td>0.11</td>
<td>5.14</td>
<td>1991-current</td>
<td>3.30</td>
<td>0.64</td>
<td>1.0</td>
<td>0.18</td>
<td>0.57</td>
<td>0.46</td>
<td></td>
</tr>
<tr>
<td>5 Pribilof Islands blue king crab</td>
<td>4 c</td>
<td>0</td>
<td>3.94</td>
<td>1980-1984 1990-1997</td>
<td>0.50</td>
<td>0.13</td>
<td>1.0</td>
<td>0.18</td>
<td>0.00116</td>
<td>0.00104</td>
<td></td>
</tr>
<tr>
<td>6 St. Matthew Island blue king crab</td>
<td>4 a</td>
<td>0.18</td>
<td>3.56</td>
<td>1978-current</td>
<td>5.63</td>
<td>1.58</td>
<td>1.0</td>
<td>0.18</td>
<td>1.02 [total male catch]</td>
<td>0.92 [total male catch]</td>
<td></td>
</tr>
<tr>
<td>7 Norton Sound red king crab</td>
<td>4 a</td>
<td>0.18</td>
<td>1.59</td>
<td>1980-current [model estimate]</td>
<td>1.93</td>
<td>1.2</td>
<td>1.0</td>
<td>0.18 0.68 (&gt;123 mm)</td>
<td>0.24</td>
<td>0.22</td>
<td></td>
</tr>
<tr>
<td>8 Al golden king crab</td>
<td>5</td>
<td>See intro chapter</td>
<td></td>
<td>See intro chapter</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5.69</td>
<td>5.12</td>
<td></td>
</tr>
<tr>
<td>9 Pribilof Island golden king crab</td>
<td>5</td>
<td>See intro chapter</td>
<td></td>
<td>See intro chapter</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.09</td>
<td>0.08</td>
<td></td>
</tr>
<tr>
<td>10 Adak red king crab</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.05</td>
<td>0.03</td>
<td></td>
</tr>
</tbody>
</table>

\(^1\) For Tiers 3 and 4 where \( B_{\text{MSY}} \) or \( B_{\text{MSY proxy}} \) is estimable, the years refer to the time period over which the estimate is made. For Tier 5 stocks it is the years upon which the catch average for OFL is obtained.

\(^2\) MMB as projected for 2/15/2013 at time of mating.

\(^3\) Model mature biomass on 7/1/2012.

Snow Crab

After extensive model development over the past few years, two models were brought forward in this assessment. This year's base model was Model 6 from the September 2011 assessment. Some of the basic features of the current base model are: (1) annual recruitment deviations are estimated and distributed among size classes assuming gamma distribution with equal recruitment assumed for males and females, (2) mean width after molting is estimated as a linear function of pre-molt width with priors from limited growth data and post-molt lengths are distributed among size bins assuming a gamma distribution, (3) mature female mortality is fixed at $M=0.23$, male $M$ and immature $M$ are estimated in the model with priors $M=0.23$ and $\text{se}(M)=0.054$, (4) the probability of new shell crab maturing is estimated as a smooth function in the model to match the observed fraction mature by size, and (5) survey selectivity for the BSFRF and NMFS data in the study area are estimated separately for males and females within the model.

In addition to the base model, a second model was explored that implements a quadratic relationship between pre-molt and post-molt size. Priors for the parameters of the relationship were estimated by D. Somerton based on recent molting experiments.

The SSC agrees with the CPT recommendation to adopt the current base model for specification purposes for 2012/13. Results from the assessment place the EBS snow crab stock in Tier 3a, given that mature male biomass at mating in 2011/12 was estimated at 107% of the proxy for BMSY ($B_{35\%}$). The SSC concurs with the author and CPT recommendations that the ABC be less than maximum permissible given the structural uncertainty of this model and to use a 10% buffer for setting ABC. This results in an OFL for 2012/13 - as determined by the $F_{35\%}$ control rule - of 67.8 kt (149.5 million lbs.) and an ABC of 61.0 kt (134.5 million lbs).

The SSC has the following recommendations for the author:

- The SSC agrees with CPT recommendations to more fully and directly integrate results from recent growth-increment studies into the assessment. There was considerable improvement in the model in terms of the likelihood by adding two additional growth parameters with large consequences for our view of stock status. Hence, the growth parameterization should be a high-priority area for further exploration.
- The authors may want to update their introduction to note that snow crab not only occur in the western North Atlantic are now permanently established on the eastern side of the Atlantic in the Barents Sea (J. Alvsvåg, A.-L. Agnalt and K. E. Jørstad (2009). Evidence for a permanent establishment of the snow crab ($Chionoecetes opilio$) in the Barents Sea. Biological Invasions 3: 587-595. DOI: 10.1007/s10530-008-9273-7)
- The values in Table 13 need to be clarified. While values are described as "likelihood" in the header, they appear to be log-likelihood values. This is somewhat confusing because assessments typically report the actual objective function values, i.e. the negative log-likelihood.
- A number of figures need axis scales and/or axis labels (e.g., Figs. 80, 82, 83, 98, 99 & 100) and an explanation of abbreviations (Figs. 99,100).
- To address ongoing concerns over disproportionate harvesting on the southern portion of the stock, the SSC recommends that the authors work through the stock structure worksheet for snow crab.

Bristol Bay Red King Crab

This fall, the authors conducted a straightforward update of the preferred Model 7ac that was selected by the Plan Teams and the SSC this spring.
This year’s SAFE addressed some but not all of the SSC comments from previous years. In October 2011 the SSC requested that the author include two new options in 2012: (1) an option with no additional M periods and (2) an option without additional M periods and an additional survey selectivity period in the early 1980s. Because no additional modeling work was done for Bristol Bay red king crab in May 2012, the authors indicated that they would address SSC model requests in May 2013.

In October 2011, the SSC noted that the preferred Model 7ac applied higher M for the period 1980 through 1984 for males, and 1980 through 1984, 1976 through 1979 and 1985 through 1993 for females, and requested additional justification for selecting these additional natural mortality periods. In Appendix 1 of this year’s SAFE, the authors described four potential factors for high mortality during the early 1980s. The authors concluded that combinations of fish mortality, natural mortality, disease, and predation may have contributed to the decline. The SSC appreciates this information, however, Appendix 1 does not specifically address why natural mortality was higher during the specific years identified in the model other than to note that “the model fit the data much better with these three parameters than without them.” Is there any corroborating evidence for these particular time periods?

In October 2011, the SSC requested that the authors review the re-tow data for males to determine whether the decision to eliminate re-tow data for males is still the best use of the available data. In this year’s SAFE, the authors provide a detailed analysis that provides compelling evidence that males shift their distribution by the time of the re-tows so that male abundance is underestimated. The SSC appreciates the authors’ attention to this issue. The SSC notes that the authors may want to consider the comments and recommendations regarding the use of resampling stations in the NMFS survey provided in the CIE review reports on the trawl surveys.

From previous CPT and SSC reviews, the authors provided three alternate time periods to determine Biological Reference Points: 1969-1983, 1969-2012, and 1984-2012. In particular, the authors used average recruitment over each of the three time periods to calculate B35%. Results of this analysis show that selection of the time period is extremely important. If the early time period is used, the stock would be declared overfished. If the entire time period is used the stock would be considered close to overfished. The authors recommended using the intermediate time period 1984-2012 corresponding to the 1976/77 regime shift, in which the stock is not overfished.

The SSC appreciates the authors’ consideration of breakpoints for estimation of biological reference points; however, we note that the analysis is incomplete. At the request of the SSC, participants at the Stock-Recruitment (SR) Workshop in April 2012 considered methods for estimating possible time periods as the baseline for calculating reference biomass. The provisional Workshop report identified 6 methods to identify temporal breaks in the productivity of stocks. Essentially, the authors used a combination of Alternative A2.1 (review of the recruitment time series), Alternative A2.4 (identify statistical breakpoints in an environmental time series) and Alternative A2.3 (identify breakpoints in the R/S relationship) in their analysis. Specifically, they only evaluated the change in productivity for a pre-defined suite of breakpoints. The SSC asks the authors to consider the recommendations in the provisional SR workshop report wherein a full range of possible breakpoints is considered, and consideration of the provisional preferred alternative A2.6. The SSC acknowledges that SR relationships and environmental shifts in carrying capacity are at the core of the selection of breakpoints in stock productivity.

As a part of future discussions of the pros and cons of taking the next step to use the breakpoints for the determination of reference points, the SSC requests that the authors and the CPT consider the reliability of the SR relationship and whether the reliability is sufficient to move the stock to Tier 1 or 2.
The SSC agrees with the caveat included in the SR report that the provisional preferred approach is “intended only to estimate the breakpoints; estimates of other quantities obtained in the process of determining the breakpoints do not have to be used for management purposes”. Thus, once a breakpoint is identified, the authors should consider its plausibility. In the case of BBRKC, the authors provided several lines of evidence to support their selection of the 1984-2012. This is a critical step in the analysis. While statistical methods can be used to identify potential breakpoints, some breakpoints may not be biologically plausible. A breakpoint should result in a full range of plausible recruitments at low and high spawning biomass levels and be consistent with a well-defined shift in the Bering Sea ecosystem. The SSC agrees that the 1984 breakpoint is plausible and thus concurs with the authors’ use of the time period 1984-2012 for determination of reference points for 2012/13. However, given the uncertainty associated with selection of time periods, the SSC considers selection of the time period to be a source of uncertainty in the assessment that contributes to our decision to recommend a 10% buffer between the ABC and the OFL.

The authors considered two methods for evaluating retrospective bias in the assessment: (1) historical results and (2) the 2011/2012 model hindcast results (within-model approach). As was observed in previous years, the within-model approach showed a consistent trend where the model overestimates MMB. The SSC agrees with the CPT that the model appears to be slow to respond to declines in MMB. The SSC requests that the authors consider the mechanisms underlying the consistent overestimates in the model. The SSC requests that the authors consider the Joint PT report on retrospective analysis in future reports. Specifically, we ask the authors to include a plot of retrospective bias as a percentage of terminal year MMB. In the absence of a clear mechanism to explain why the model is slow to respond to declines in MMB, the SSC continues to view this trend as a source of additional uncertainty in the assessment that contributes to our recommendation for a 10% buffer between ABC and OFL.

The SSC accepts the ABC and OFL recommendations of the authors and the CPT. Based on the results of Model 7ac, the BBRKC stock is in Tier 3b resulting in an OFL and ABC of 7.96 kt and 7.17 kt respectively. The stock is not overfished and overfishing did not occur.

Recommendations for next year:

In addition to the CPT recommendations for additional models in 2013, the SSC requests that the authors develop: (1) an option with no additional M periods and (2) an option without additional M periods and an additional survey selectivity period in the early 1980s.

Research:

1. Shifts in the center of distribution of BBRKC can be a function of depletion of the stock, the crab closure area, shifts in larval drift, habitat selection, or fishing. Study which of these potential causes contributes to the selection of a time period.
2. Work with flatfish authors to come up with a consistent approach to treatment of biomass outside of the survey area.
3. Look at changes in maturity, molting probability, and selectivity over time.
4. Look at impact of dropping hotspots as per CIE review.
5. Look at impact of corner stations for hotspots as per CIE review.
6. Look at BBRKC – impact of re-tows as per CIE review.
7. Conduct field studies of catchability (side-by-side tows).

The SSC and the PTs made several requests for additional model runs in 2011. These requests still stand.
The SSC received a report on the Tanner crab stock assessment from Lou Rugolo (NMFS-AFSC) and Jack Turnock (NMFS-AFSC). Diana Stram (NPFMC) and Bob Foy (NMFS-AFSC) provided the Crab Plan Team’s review and comments. Andre Punt (Univ. Washington) reported on a break-point analysis that constitutes an appendix to the stock assessment. Public testimony was provided by Edward Poulsen (Alaska Bering Sea Crabbers).

The Tanner crab stock assessment model (TCSAM) was accepted by the SSC in June 2012 for use in managing the Tanner crab fishery as a Tier 3 stock. Recent changes in the assessment model in response to comments by the Crab Plan Team and SSC are described in the assessment document. Some short-term and long-term recommendations have yet to be addressed. The Crab Plan Team provided a number of additional long-term recommendations, as listed on p. 5 of the Crab Plan Team report from their September 2012 meeting and the SSC supports those requests. However, based on response by the analysts to questioning, it was not clear to the SSC that model fits to discards in the snow and red king crab fisheries was a large issue. The SSC encourages the analysts to continue to explore alternative model formulations (variable growth, variable mortality, etc.) that may address patterns in model residuals (e.g., Fig. 37 and 39).

The SSC continues to support use of TCSAM (base model = model 0) for assessment and management of the eastern Bering Sea Tanner crab as a Tier 3 stock, starting with this year’s (2012/13) assessment.

The status determination of the eastern Bering Sea Tanner crab stock under Tier 3 hinges heavily on the choice of the time period used to calculate mean recruitment. Five time periods for averaging recruitment were explored: R1 (1966-1972), R2 (1966-1988), R3 (1982-2012), R4 (1966-2012), and R5 (1990-2012). These are shown in Fig. 56 of the assessment report, where year corresponds to year of recruitment to the model, which occurs at approximately crab age 5. In the SAFE report, the assessment authors recommended R1. This choice was not supported by the Crab Plan Team because this time period may not represent the current reproductive potential of the current stock. Also, some members were concerned about using recruitment estimates for 1966-1973 because there are no direct estimates of these recruitments. Those estimates are hindcast by TCSAM based on observations primarily in the survey time series, which begins in 1974. Instead, the team recommended using recruitment averaging time period R5 (1990-2012). This recommendation was based on a break-point analysis conducted by a team member and reported as an Appendix to the assessment. This break-point analysis, which examines changes in the relationship between a measure of stock productivity and stock biomass, was one of the methods considered for this purpose at a recent joint plan team recruitment workshop. The Tanner crab data support a change in relationship in 1985 (year of spawning) corresponding to 1990 (year of recruitment to the assessment model). Adoption of the use of R5 under a Tier 3 assessment would result in an increase in the OFL from 2.75 kt in 2011/12 (based on Tier 4 analysis) to 19.02 kt in 2012/13 (based on Tier 5 using the R5 period). The Crab Plan Team recommended a three-year stair-step approach toward setting ABCs in a precautionary manner under R5 to allow for additional analyses to address some uncertainties.

The SSC was hesitant to accept either the stock assessment author’s or Plan Team’s recommendations on the period of averaging. The author’s recommendation (R2: 1966-1988) does not include more recent years of low stock productivity. Although the SSC continues to support break-point analyses as a useful approach to identify periods of productivity, the SSC was hesitant to accept the team’s recommendation (R5: 1990-2012) at this meeting. First, the analysis was somewhat cursory and several additional research needs on this analysis were identified, including exploring alternative stock-recruit formulations (e.g., Beverton-Holt), and the possibility that the shift in productivity is due to depensation (reduced productivity due to spawner limitation). Second, results indicated several potential break points with similar measures (AICc) of model fit (Appendix Fig. 2). Third, break-point model fits were shown for break points in 1965-1976 and 1989-2001, but those for 1977-1988 were not shown (Appendix Fig. 1). The SSC would be interested to see these.
As an interim measure, the SSC recommends management of the eastern Bering Sea Tanner crab fishery under Tier 3 using the time period of averaging of recruitment R3 (1982-2012). This results in an OFL of 19.00 kt for 2012/13. The SSC recommends an ABC of 8.17 kt for 2012/13 by using the stair-step approach recommended by the Crab Plan Team for the same reasons given by the team. As a matter of happenstance, the specifications for 2012/13 are identical using either R3 or R5. In making this interim recommendation to use R3, the SSC attempted to consider a time period represented by reasonably estimated recruitments. In this regard, the SSC discussed the merits of the R3 (1982-2012) and R4 (1966-2012) alternatives. The SSC felt that the time period corresponding to reasonably estimated recruitments was likely to correspond to some time period somewhere in between these two alternatives (i.e., some starting year after 1966 and before 1982) for the following reasons. First, the time series of recruitments estimated by the base model shows huge confidence intervals on the recruitment estimates corresponding to fertilization years through the late 1960s (Fig. 42), so those earlier years are clearly not reliable. These correspond to periods of recruitment to the model through the early 1970s (Fig. 56). Second, related to this and as previously stated, some members of the team were concerned about using recruitment estimates for 1966-1973 because there are no direct estimates of these recruitments. Third, the SSC discussed that there may be ecological justification for a break point in productivity sometime within the time frame represented by a time series intermediate between R3 and R4. A major ecosystem regime shift occurred in the late 1970s. This shift included a large increase in some groundfish stocks and declines in some forage fish, crab, shrimp and other species. Stomach analyses show that major predators of young Tanner crab are Pacific cod, flathead sole, and to a lesser extent, yellowfin sole. Shifts in predation mortality could alter productivity as measured by recruitment to the model relative to spawning biomass. In addition to identifying the first year of the recruitment time series, the inclusion of the most recent recruitments, which are equally uncertain, should also be reconsidered.

The SSC requests further analysis of alternative recruitment time periods by the stock assessment authors and Crab Plan Team to include options based on years in which recruitment was reasonably estimated, additional break-point analyses, and evidence for shifts in Tanner crab life history and ecology. The SSC requests that one option should include a time series spanning the extent of reasonably estimated recruitments based on confidence intervals for recruitment. Based on Fig. 42, it would seem that this time series should start with fertilization years beginning in the late 1960s (e.g., 1966), corresponding to a years of recruitment to the model starting in the early 1970s (e.g., 1971). Other options might include time periods corresponding to years in which recruitment was directly observed, and break-point analytical results including models with the break point in 1990 and other years with favorable AICc scores (Appendix Fig. 2). In evaluating the alternatives, the analysts and team should consider evidence for shifts in life history and ecology, which might include changes in predation and oceanography. SSC member Gordon Kruse mentioned a recent cooperative study using a Regional Ocean Modeling System (ROMS) showing a marked reduction in the retention of Tanner crab larvae in the Bristol Bay area and an increase in settling in the Pribilof Islands area since 1990. A manuscript reporting on these results is currently under revision and will be provided to the Crab Plan Team shortly.

Over the long term, Tanner crab productivity should be evaluated based on better measures of spawning biomass than mature male biomass, as currently used, which ignores the dominant role of females in reproduction. Ongoing studies on reproductive potential of red king crab and snow crab may shed some light on this. Toward this, the SSC requests the assessment authors to include a plot similar to Fig. 54 of the assessment chapter in which recruitment (y-axis) is plotted against egg production indices (x-axis) from Fig. 14.
Pribilof Islands Red King Crab

The fishery for red king crab in the Pribilof Islands district has been closed since 1999 due to concerns of low abundance, imprecision of biomass estimates, and pot bycatch of blue king crab, which are classified as overfished. Fishing mortality since the closure of the directed fishery has been limited to incidental catches in other crab fisheries and in Groundfish fisheries. The SSC supports the CPT recommendation to continue using the same base years as used previously (1991 to the current year) for determination of $B_{MSY}$ for the Pribilof Islands red king crab stock. The SSC also supports a Tier 4b designation for this stock, noting that the estimate of mature male biomass (3.30 kt) is below $B_{MSY}$ (5.14 kt). Unlike previous years, estimates of mature male biomass (MMB) were calculated in the assessment as a 3-year weighted moving average, centered on the current year and weighted by the inverse variance. Under the Tier 4b designation, the OFL for 2012/2013 is 0.57 kt.

The SSC agrees with the CPT recommendation to include additional uncertainty ($\sigma_b = 0.4$) when calculating the ABC using the P* approach, resulting in an ABC of 0.46 kt. The SSC’s support for this approach is based in large part on the recognition that the brief history of exploitation of this stock makes it difficult to identify an appropriate period of time suitable for establishing $B_{MSY}$, such that the true distribution of the OFL is poorly known.

The SSC supported the following CPT recommendations for the 2013 assessment: include CV’s in tables of abundance estimates, include confidence intervals in the table of weighted moving average estimates of abundance, and consider the use of Kalman filter as an alternative to moving average for estimation of MMB. The SSC requests that the authors include the observation and the state equations used for the Kalman filter analysis.

Pribilof Islands Blue King Crab

The SSC supports the CPT and author’s recommendation for management of Pribilof Islands blue king crab under Tier 4c. Following the advice of the CPT, the SSC recommends a Tier 5 calculation of average catch mortalities between 1999/2000 and 2005/2006, resulting in a total catch OFL of 0.00116 kt. Similarly, the SSC supports using a 10 percent buffer for the ABC calculation, resulting in an $ABC_{max}$ of 0.00104 kt. The Pribilof blue king crab stock is overfished, however overfishing did not occur during the 2011/2012 season.

The MSY stock size ($B_{MSY}$) is based on mature male biomass at mating ($MMB_{mating}$) which serves as an approximation for egg production. For 2011/2012, $B_{MSY,prox} = 3.94$ kt of $MMB_{mating}$ derived as the mean MMB from 1980 to 1984 and 1990 to 1997. The stock demonstrated highly variable levels of MMB during both of these periods likely leading to uncertain approximations of $B_{MSY}$.

Retained catches for Pribilof Island blue king crab have not occurred since 1998/1999. Bycatch and discards have been steady or decreased in recent years, although a change in calculation methodology led to an increase in 2011/12. Stock biomass decreased between the 1995 and 2008 surveys and continues to fluctuate with no significant change estimated for recent years due to the high uncertainty in estimates. Based on September 2011 CPT and SSC comments, biomass estimates are now based on a 3-year weighted average, centered on the current year and weighted by the inverse of the variance.

A revised rebuilding plan was approved by the Council in June 2012 and will soon go through final review by the Secretary of Commerce. The revised rebuilding plan closes the Pribilof Habitat Conservation Zone to Pacific cod pot fishing.
Saint Matthew Island Blue King Crab
In June 2012, the SSC approved use of the three-stage catch-survey analysis for the fall 2012 fishery under Tier 4. From this model, the estimated biomass (MMB) in 2012 is 5.63 kt. The estimated total male OFL is 1.02 kt, as recommended by the team. Likewise, the maxABC is 1.02 kt based on CV = 0.5 and P*=0.49. However, the SSC concurs with the Crab Plan Team recommendation for a 10% buffer for an ABC of 0.92 kt due to structural assumptions and observational uncertainties in this assessment.

The SSC offers the following remarks to the assessment author. There is significant improvement in model evaluation. The SSC agrees with the Crab Plan Team on the need to develop diagnostic tools to understand and improve model performance (e.g., residual plots). For 2013, the SSC concurs with the Crab Plan Team that the author should explore an alternative model that merges characteristics of model B and model C, perhaps allowing two different Ms (one for 10 years ago and one for the recent 10 years). In addition, the SSC recommends that the author should fix the seed in the simulation, as it can help future reviewers to repeat and verify the simulation results. The Crab Plan Team offered some additional comments to the author, with which the SSC concurs. In addition, the SSC identified an important research need to investigate the annual molting frequency (and growth increment) with pre-molt size.

Aleutian Islands Golden King Crab CPUE Standardization
The authors have developed a method to standardize catch and effort for observer pot sample data and retained catches (fish ticket data) for future input to the assessment model. They incorporated recommendations made by the Crab CPT at its May 2012 meeting and the SSC at its June 2012 meeting. The SSC agrees that the assessment authors have made significant improvement in the model. The authors might consider using CART (classification and regression tree) models to investigate interactions among predictor variables, while avoiding problems with co-linearity.

D-1(d) Northern Bering Sea Research
The Northern Bering Sea Research Area (NBSRA) discussion paper was presented by Steve MacLean (NPFMC). Public testimony was presented by Dorothy Childers (Alaska Marine Conservation Council).

This discussion paper was intended to provide background information to the Council for evaluating the feasibility and need to continue developing a NBSRA research plan. Efforts to develop a research plan began in 2009. The SSC received an outline in June 2010 and a report on the plan in June 2011. The 2011 report focused primarily on a proposed paired design of a before-after-control-impact (BACI) study to be conducted in the northern Bering Sea (NBS). Based on responses from community workshops and SSC comments on the draft plan, the Council suspended development of a NBSRA Research Plan. The current document responds to the Council’s request for a document that summarizes information on the NBS ecosystem, potential impacts from bottom-trawl fisheries, outcomes of community workshops, description of areas likely to attract commercial interests, and feasibility of conducting more research on effects of trawling. The purpose to which this white paper will be used to frame future actions was not made clear in the document or in meeting guidance.

The SSC appreciates that addressing all of the above requests was challenging given the paucity of historic information on the NBS and the rapid pace of current studies and climate-driven changes to a complex ecosystem. While AFSC staff did respond with an expanded document, the document will need considerable revision if it is to be used to inform the public or incorporated into a research plan. The SSC found the outline of historic research efforts and sources of data useful, but the document was incomplete and its organization confusing. There were also contradictory statements that may have resulted from dealing with the same issue in multiple locations. Most of the SSC’s editorial corrections will be provided to the AFSC authors in a separate document.
The ecosystem chapter provided a very brief overview of the underlying physical and biological oceanography of the NBS, but provided limited discussion of benthic-pelagic coupling, potential changes in other physical or biological aspects (pH, storm seasonality, invasive species, range extensions) nor discussion of how these factors may interact or change seasonally. Notably, the benthic ecosystem most likely to be impacted was only described in a few sentences with no inclusion of a food web diagram. There was no discussion about current fisheries in the NBSRA – either commercial or subsistence. It would seem critical to any plan being developed that there be a clear understanding of the current exploitation rates, and the ways in which ongoing human activities might be impacting the system.

Sections on marine mammals, birds, invertebrates, and fish were inconsistent in the amount and type of information presented, information accuracy, and conclusions relative to potential impacts from bottom-trawling. Species of particular importance as subsistence resources were not fully addressed, such as seabirds (i.e., the adults and eggs of auklets, kittiwakes, murres, gulls), fish (i.e., herring, capelin, smelts), and invertebrates (i.e., clams). The pending federal Endangered Species Act (ESA) action with respect to listing and critical habitat for bearded and ribbon seals was not mentioned. There was inadequate coverage of cumulative effects, such as changes in climate and ice extent, which may have impacts on prey available to upper trophic level groups. This is particularly relevant for benthic foraging species such as grey whales, walrus, and bearded seals, which may be forced to change their foraging locations and concentrations in response to shifts in prey abundance, or the presence of sea ice in preferred foraging areas. In particular, walruses that are aggregating on shore (rather than dispersed across sea ice) may have much higher than ‘normal’ impacts on benthic communities in the areas surrounding terrestrial haulouts. Fishing pressures in these areas, if overlapped, may have much greater impacts on walrus than in other areas.

The section on the design and method considerations for a study on the impact of bottom trawls captured many of the key issues. The paper summarized studies in the southeastern Bering Sea that showed that only minimal bottom trawl impacts were observed that could not be differentiated from random variation. Yet, researchers have been able to detect and quantify the recovery of the benthos from foraging activities of grey whales and walruses. The paper suggests that if commercial bottom-trawl fisheries are developed, the chronic effects of bottom-trawling could be examined through use of closed and open-area boundaries in the Modified Gear Trawl Zone. The paper’s authors rightly note that ‘… discerning bottom-trawl impacts on the NBS ecosystem will require substantial commitment in time and resources.’ Overall, good study design, statistical and ecological analyses, and understanding of local recovery dynamics will be needed. Further, the paper notes that these studies will need to be long term to capture ecosystem-level changes, and this will be more challenging given the changes predicted to occur in the NBS. A major impediment to such a study is the lack of funding.

The paper notes that communities bordering the NBSRA are ‘dominated by subsistence activities and seasonal employment opportunities’ and rightly concludes that this issue is of particular importance to members of those communities. However, a more explicit section summarizing (and providing references for) what is known about subsistence uses of key species by the communities is needed. The SSC reiterates that it is important to involve local communities in the process early in development of NBS plans and that the research focus should be on the benthic environment, which is most likely to be impacted by bottom-trawl fisheries. Should the Council move forward with development of a NBSRA Research Plan, it should improve this discussion paper with respect to protected resources and potentially impacted ecosystem components. More importantly, it will need to include local community input and commit to a long term program.
Eric Olson: We don’t have a lot of time until our noon hour, but we will begin the B7 Protected Species report and we’ll continue on until about noon and then take our lunch break. Mr. Oliver.

Chris Oliver: I think Steve (MacLean) is over in the Advisory Panel, but I think we could get started with Mr. Kurland, he was going to give us a report on the agency’s response plan to the petition from the Center for Biological Diversity relative to corals as well as an update on the CIE review.

Eric Olson: Alright, we’ll take those two items from Mr. Kurland.

Jon Kurland: Okay, thank you Mr. Olson, I’m Jon Kurland, Assistant Regional Administrator for Protected Resources. I’ll start on an update on this petition to list Alaskan corals. So we received a petition from the Center of Biological …. [NOT TRANSCRIBED]

Eric Olson: Okay how long do you think it will take you to get through your CIE discussion assuming no questions?

Jon Kurland: I’m going to say probably 20 minutes.

Eric Olson: Let’s go ahead and take it with no questions and then we’ll come back after lunch and continue on. I know some of these issues will come back under the C-4 agenda item so I’ll entertain a few questions, but we’ll have a more comprehensive discussion under the C-4 agenda item. So let’s take your presentation with no questions and then break for lunch.

Jon Kurland: Okay, fair enough. So, I think everyone is familiar with the fact that we recently received reports from the Center for Independent Experts reviewing our 2010 Biological Opinion on the effects of the Alaska groundfish fisheries on Steller sea lions. I’ll provide just a little bit of, kind of a summary of the review and some initial information on our responses. By way of background, and I think everybody’s familiar with this, but just to make sure, the 2010 Biological Opinion concluded that the Alaska groundfish fisheries were likely to jeopardize the continued existence of the Western Distinct Population Segment of Steller sea lions and adversely modify critical habitat. The best available information at the time lead NMFS to conclude that the Western DPS may be experiencing nutritional stress and that was to an extent that the birth rate or natality may be reduced. That lead us to develop something called a reasonable and prudent alternative, basically an alternative way of implement the action, implementing the fisheries designed to ensure the groundfish fisheries would not cause jeopardy or adverse modification of critical habitat. We had intended and talked with the Council quite a bit about doing an independent review of the BiOp as the BiOp was being developed, doing it at a draft stage; for a variety of reasons it didn’t work out that way, but we contracted with the Center for Independent Experts to do a peer review earlier this year. The reviewers were asked to do a couple of different things, we asked them to comment on the adequacy of the scientific information and the use of that information in the BiOp to reach the conclusions. And then in a second chapter we asked them to review new information that had become available subsequent to the release of the BiOp, new scientific information. And as part of that we arranged a panel-review meeting with the three CIE reviewers and invited people with relevant new information to present to the panel so the panel benefitted from presentations from the Alaska Fisheries Science Center, from the Council, from the state’s of Alaska and Washington, from a group of fishing industry representatives, some non-governmental organizations and some folks from academia, all of whom presented to the CIE reviewers.
We received reports from the three reviewers on September 6, just under a month ago, and these are the three reviewers’ names and their affiliations. It’s difficult to boil the reviews down but I’m going to try here, so there was not a consensus report from the reviewers. What the terms of reference called on the reviewers to do was to provide individual reports. So they each filed their own reports to us addressing each of the specific items we asked them to look at it in the terms of reference for the review. As a result of that they highlighted some different issues and some common issues. On the common issues, the key findings were the reviewers felt that the BiOp used a weak proxy to infer Steller sea lion natality and then relied upon that as an indicator of nutritional stress. And the proxy was pup to non-pup ratios. And the reviewers also felt that the cause of the Steller sea lion decline is unknown, but the lack of direct empirical evidence for fishery-induced nutritional stress in the reviewer’s view made the BiOp’s conclusions unsupportable. We had tried, as part of the background information that we conveyed to the reviewers, we tried to relay that the Endangered Species Act doesn’t require the agency to prove or disprove conclusions based on statistically significant findings or even having a high degree of certainty. Under the ESA we’re required to use the best information available. And sometimes that means drawing inferences where we don’t have a complete picture. But the reviewers still seemed uncomfortable about making such a conclusion in the face of so much uncertainty. Anyway, that was kind of their bottom line. There are also some differing views expressed by the reviewers where they had takes on the situation that pointed in different directions. So we got some different feedback from the reviewers on whether sea lion population trend monitoring design that the agency uses is reliable. A couple of the reviewers asked questions about it, one of the reviewers said, no, it’s not controversial at all and is used for other pinnipeds in other areas. The reviewers each had different views on whether killer whale predation is a major factor contribution to the lack of sea lion recovery. And the reviewers also had some differing views on whether the agency appropriately downplayed forage to biomass ratios. So, I’ll turn to our response, and first I want to make clear that we really greatly appreciate the CIE reviewers’ time and their efforts in conducting this review. Again, it’s a review that we commissioned so we wanted the feedback to help us take a hard look at whether we were using all the best available information and in the appropriate way. The feedback really presents an opportunity for the agency to improve our future BiOp analyses, and so we’re taking a close look at all of that. Some of the additional research suggested by the reviewers would be great. It would certainly be beneficial to help elucidate the effects of fisheries on Steller sea lions. Some of that is work that we intend to conduct, some of it is work we would aspire to either do ourselves or see done. But it’s important to keep in mind that in the interim future section 7 consultations on the groundfish fisheries will have to continue to reach determinations based upon the best available scientific information. The question of whether...is fisheries really a major factor or the dominant factor here or not, in the BiOp we said that essentially we can’t say that it’s not. We can’t rule out fisheries as a major cause for what’s going on with sea lions. The reviewers really didn’t like that reliance on a double-negative, saying that we can’t say that it’s not fisheries, therefore it’s fisheries. So they took some issue with how we traced our logic along those lines.

I’ll talk about our response in terms of some of the steps that we’re undertaking. The Alaska Fisheries Science Center has committed to doing a few different types of analyses and actually has already commenced these to varying degrees to help us strengthen the information available for future Biological Opinions. So the first one here is a continued analysis of sea lion food habits data, taking into account some of the biases and potential inaccuracies of our approach. And that approach was based on looking at sea lion scats and the frequency of occurrence of different fish species, different prey species in those scats. The reviewers were...some of the feedback was critical of that approach, so we’re taking a look at that and emphasis on cooperative research to look at new methods of diet study. Second, the Alaska Fisheries Science Center is undertaking additional analyses to look at circumstances for using pup/non-pup ratios in making inferences about natality. Again, there was some criticism about the assumptions
and limitations of that approach, so we’re revisiting that issue. Third, is a review and analysis of available studies evaluating relationships between sea lion abundance and fishing effort similar to the Bernard et al. report that included a bit of a synthesis of that. There may be limits on the statistical power of doing a real meta analysis of that information, but it is something that the Science Center is looking into. And then fourth is a synthesis of movement data for sea lions in the Aleutian Islands, hopefully getting to the point of quantitative models maybe, we’ll see if we get there, but movement data including aerial and other survey data, observations of branded sea lions and telemetry data.

A lot of the feedback from the reviewers had to do with presentation of information in the Biological Opinion. So we’ve identified a number of areas listed here where we can try to address that feedback. First, providing a critical review of relevant literature and data in the BiOp, the reviewers thought we cited all the relevant data but didn’t synthesize it very well, didn’t do a critical literature review. Second, describing our assumptions and caveats more clearly. Third, providing an accounting of data available for each region and in particular the level of uncertainty in the data presented. Insuring completed hypotheses are treated objectively, reconciling conflicting statements overall being more transparent in our exposure response and risk analyses, which are part of a biological opinion and the available evidence and just as a bottom line trying to present the results of our analysis in a more concise way that’s easier to follow, easier to digest, and hopefully, is easier to appreciate the basis for the conclusions that we reach. So these are all directions that I think were very helpful in terms of feedback from the reviewers in setting some direction for us to pursue for future BiOps. It’s important to note that, at this point, based on what we’ve seen and our review of the reports to date, none of the results would cause us to alter current fishery management measures in the Central and Western Aleutian Islands. We have an existing Biological Opinion, existing management measures that are in place. Those, as you all know, have been through judicial review. The district court upheld the BiOp and the interim final rule (the regulations implementing the reasonable and prudent alternative) but ordered the agency to prepare a new Environmental Impact Statement to look at alternative sea lion protection measures, so we’re now developing that EIS. Our plan is to incorporate the reviewers’ feedback into the EIS and into a new BiOp which we presume will result, so whatever preferred alternative you folks recommend, that would be the preferred alternative in the EIS and assuming that it differs from the 2010 RPA, we expect that we’d be doing a new BiOp on that and would fold the reviewers feedback into that new BiOp. So the schedule for the EIS, and as the chair pointed out, you will be discussing this more under a future agenda item, but we developed the schedule for the EIS in coordination with the Council to ensure sufficient opportunities for public involvement. We had at the time contemplated a couple of different versions of the schedule: one which would be basically as quick as we could get the EIS done just within the agency, and then a second one that is as quick as we could get it done during working through the Council process for stakeholder involvement, and the court ultimately approved the schedule that involves using the Council process. It’s not a relaxed schedule; it’s an aggressive schedule but basically as quickly as we could do it providing the kinds of opportunities for public participation that everybody I think would like to see through the Council process. So that’s what’s reflected here. The scoping period ends shortly here on October 15th and the Council is scheduled to recommend alternative at the December meeting. We publish a draft EIS in May, start a new Section 7 consultation release that BiOp in January of 2014, and then publish the final EIS and begin rulemaking shortly thereafter, with a goal towards implementing any resulting management measures for the 2015 fisheries. So you might ask, well could we implement changes faster if we thought that was warranted. It’s really pretty hard to envision how we would do that, if we want Council involvement. We’re open to discussions on that, it’s at this point, hard to....we don’t even know what the alternatives are going to look like so....a little bit hard to speculate on exactly what the process would be, how difficult to analyze, how difficult the rulemaking would be. We’re pretty comfortable that this schedule is about the best that we could do in getting through it. So to sum up, we greatly appreciate and will benefit a great deal from the CIE reviews both in improving our future analyses and also our research planning. We’ve done a series of the BiOps of course over the years, and fishery management measures resulting from the previous BiOps have been associated with benefits for Sea lions in the Gulf of Alaska.
and the Aleutian Islands. We can’t say that it’s cause and effect, but we have seen benefits in those areas associated with the management measures. Nevertheless, we’re still quite concerned about the steep and sustained decline in the Western Aleutian Islands, and based on the best available information including information on sea lion abundance and trends, diet and natality; we remain quite concerned about the potential for the fisheries to cause nutritional stress. So you might ask, well why is that in light of the feedback that we got from the reviewers. The reviewers are correct that pup to non-pup ratios are not direct measures of natality and need to be used with caution as I mentioned. We are faced with really an absence of empirical data, region specific vital rates in the Western and Central Aleutian Islands, and because of that and the fact that we do have reliable region specific counts of pups and non-pups in those areas, we use those pup/non-pup ratios as described in the published literature to make inferences about natality. Those ratios were lowest in the Western Aleutian Islands where sea lions are in sustained decline. If natality rates are lower in this region relative to others it strongly suggests a nutritional cause. So we’re still left with that based on the best available information. Again the reviewers pointed out that there are a lot of assumptions/limitations in the use of those pup/non-push ratios. We are, as I said, going to be trying to look very closely at each of those specific recommendations that they raised and incorporate that information into our future analyses. But we’re still concerned about at least the potential for nutritional stress.

Whatever management measures are adopted as a result of this EIS, it’s important to keep in mind that the Endangered Species Act requires the agency to ensure that that final action is not likely to jeopardize the continued existence of the Western DPS or adversely modify critical habitat. Again, that’s going to be based on the best available scientific information which reflects a lot of uncertainty. So it’s likely that in some ways the results will continue to be going to be unsatisfying because of that, but we have to move forward with the best analysis we can do with the information we have.

Finally, my last slide is just to highlight some research needs. Clearly the reviewers noted, as we have noted in the past that there are a lot of gaps here; there’s a lot of uncertainty that’s frustrating for everybody, and we still very much hope over time to be able to address some of these things and have better information to bring to bear on these issues. And with that, Mr. Chairman, that’s a wrap.

**Eric Olson:** Alright you hit it about 20 minutes on the dot, Mr. Kurland. We’ll go ahead and take our lunch break and invite you back up after lunch and see if we can take a few questions. We will come back at 1:30.

**Eric Olson:** Council please come to order. We do have a quorum of Council members to get going. Prior to the lunch break we just completed the NOAA presentation on the CIE reviews and I understand Mr. Kurland is not going to be here Saturday so I think we are going to go more in-depth than we originally planned in the questions and take whatever questions the Council members may have now, rather than when we get to agenda item C-4, so I will open up the floor to questions and I’ll look to Commissioner Campbell.

**Cora Campbell:** Thank you Mr. Chair, Mr. Kurland. I have a process question for you. Based on the next steps that you have laid out in page 9 of your presentation, and you seem to be contemplating here that what you would be doing with the results of this CIE review is you wouldn’t do anything to alter the management measures. You would proceed with preparation of any EIS and then, you seem to be contemplating that the Council would recommend a preferred alternative RPA that may differ from the 2010 RPA and that you would develop a BiOp on that RPA and that’s where you would incorporate the results of this independent review. Is that…am I correctly encapsulating what you’re suggesting on this slide?
Mr. Chair, Commissioner, you’re close. So we have a process underway, a NEPA process, court ordered, where we have to look at alternative measures for the fisheries to minimize effects to Steller sea lions. We’ve already embarked on that process, we’re towards the end of the scoping process. The Council has set up a committee to help advise the Council and help develop alternatives for consideration in that EIS. So in some ways, we’re in a pretty good place process wise because that process is already underway, we now have this CIE feedback and because that EIS process is setup it gives us an already in motion forum for dealing with those issues and looking at alternative ways to respond. So the EIS is going to need to look at a range of alternative management approaches and certainly the Council will be instrumental in framing the alternatives to be analyzed in the EIS, and our expectation all along has been that whatever the preferred alternative is as a result of that process would likely require a new BiOp assuming that there’s some material difference between the status quo and whatever that alternative looks like. In a sense that part of it is not new to the CIE review, it’s just fortuitous that we have that process underway and that we can factor the CIE feedback into that process.

Commissioner Campbell.

I appreciate that but I think the question that I have is that you seem to be envisioning that the committee or the Council will be assisting in development of alternative RPAs. So somehow through that process, alternative restrictions to fisheries are going to be developed by this Council or a committee of this Council. Given that, between the independent review commissioned by the states of Alaska and Washington and the independent review that you yourselves commissioned, we now have seven independent scientists saying that the results of this BiOp are unsupported by evidence, why would be go through a two-year process to develop additional alternative restrictions to fisheries when every independent scientist that you’ve had review this thing says that the evidence that you have doesn’t support those restrictions?

Through the Chair, Commissioner Campbell, again, we are under court order to prepare an EIS. And that EIS needs to look at alternatives for managing the fisheries, alternative measures to minimize effects on Steller sea lions. We could stick with the status quo ultimately, but we need to go through the NEPA process and evaluate alternatives and take it where it goes. So again, the Council has set up a process, I think with the expectation that that Council process would be used to frame the range of alternatives in the EIS and the agency is prepared to analyze those alternatives and to do a Biological Opinion on the preferred alternative; again, assuming that that alternative looks different than the status quo.

Mr. Chair, Commissioner Campbell, again, we are under court order to prepare an EIS. And that EIS needs to look at alternatives for managing the fisheries, alternative measures to minimize effects on Steller sea lions. We could stick with the status quo ultimately, but we need to go through the NEPA process and evaluate alternatives and take it where it goes. So again, the Council has set up a process, I think with the expectation that that Council process would be used to frame the range of alternatives in the EIS and the agency is prepared to analyze those alternatives and to do a Biological Opinion on the preferred alternative; again, assuming that that alternative looks different than the status quo.

Mr. Chair. Mr. Kurland, I’m still not sure that your last answer really answered the question I heard the Commissioner ask, but I’m not going to at this point, try to repeat that but I think at some point we probably will come back to that again because I just didn’t get that, but I’m going to move off in a somewhat different direction, but I think we’ll end up probably cycling back around to it, because in my mind it is really the fundamental question around the role of the Council in setting up one or more new alternatives. I think I’ll dive down into a couple detailed type questions first, and then maybe just go back up to that at some point. First sort of detailed question is that when we worked with you to put together the terms of reference for this CIE review, one of the things that the agency talked a lot about was the importance of the desk audit function which made a lot of sense to me. I’m just wondering if the agency has an actual internal policy about how the results of these desk audits. You did a pretty good job in this case of laying out how you and the Alaska region were envisioning applying the results of this particular desk audit, but I’m wondering if underlying that there’s just a generic agency policy regarding how desk audits get incorporated into the BiOp development process?
Jon Kurland: None, no policy like that that I am aware of, no.

Bill Tweit: So the only policy then is just that you routinely request these desk audits but there isn’t anything that sort of directs what to do with them afterwards?

Jon Kurland: Well, more commonly the CIE reviews are done on stock assessments, either for fish or marine mammals and factored into that process. This is a little bit unusual in terms of subject matter for a CIE review. But I think the basic principles are the same that we set out terms of reference, the reviewers do their work, they deliver reports, and then the agency considers that advice in its subsequent processes, and in this case, the subsequent process is the EIS and a subsequent BiOp.

Bill Tweit: So right now the RPAs are interim final rules, they’re not final final rules. Does that status give the agency any more flexibility, or any different flexibility in terms of making modifications to the RPAs either through consultation with the Council’s Steller Sea Lion Mitigation Committee, or just directly because of the results of the CIE review, does that provide us with additional flexibility to having them as interim final rule?

Jon Kurland: You know, I invite Mr. Lepore to chime in here, but I think given an interim final rule, if there are any changes that we wanted to make that were substantively different from what’s in that interim final rule, something that had not been part of the analysis leading to that interim final rule, you would essentially have to go through a new process, so that’s part of what I was eluding to with it being fortuitous that we’re in the position that we’re in in some ways, because we have a NEPA process that’s been started that’s designed to look at alternative ways of dealing with this very issue that was the subject of the review. So we can develop alternatives through that process and the agency can consider the review from the CIE as well as other new information as we do that analysis under NEPA and as we develop a new BiOp.

Eric Olson: Counselor did you want to elaborate on that?

Jon Lepore: Mr. Chair, Mr. Tweit, actually I think Mr. Kurland outlined that quite well. There isn’t really a substantive difference in the effect of an interim final rule and a final rule. So I don’t see, as Mr. Kurland indicated, that it would provide us more flexibility to do something differently. We would still have to go through the APA process of a proposed and final rulemaking in order to change that unless we have some type of justification to move directly to some type of final rule.

Bill Tweit: I got the answer; clearly, I still don’t understand interim final rules, I think is part of the answer too. Mr. Kurland, as you reminded us as you walked through your presentation, originally this CIE review had been scheduled to occur earlier and for a variety of reasons it didn’t happen earlier in the development of the BiOp. Had it occurred earlier in the development of the BiOp and had it come in with the same results that it did being post-BiOp, what would have happened then internally at NMFS? And I realize it’s a very speculative question but given the degree of criticism that the CIE reviewers were expressing, if that had occurred during the development of the BiOp, would that have caused NMFS to pull back entirely on development and restart, would it have caused major revisions….do you have a sense of how it would have affected things.

Jon Kurland: Yes, through the Chair, that’s a very difficult question to answer. It depends on when in the process that would have transpired. The agency is still faced with a predicament that we have to do a BiOp analysis based on the best available information. So, had we done the CIE review earlier and if we were time-constrained for whatever reason, the Council was anxious to put new measures in place, or didn’t feel like we had the luxury to step back and slow down and reconsider, we would have had to press on and finish a BiOp as best we could considering the new information. In some ways here we have a
little bit more time involved for the Science Center to do the kinds of analyses that I described and for us to maybe more deliberately incorporate the CIE feedback into our review. And again, we’ll do the best job incorporating that feedback that we can in whatever time is available. So, we are in this case time-constrained because there is a court-ordered, court-sanctioned schedule for this NEPA process so we know that we need to come to a conclusion within a specified time period and that that will lead to rule-making in a specified time period. And if that means the management measures are different from the status quo, we’ll have to do a new BiOp within that same specified time period. So, we’re still time-constrained and within those time-constraints we still have to render a new Biological Opinion using the best available information and incorporating the CIE results as best we can in that time frame.

Eric Olson: Alright, I have Mr. Oliver, Mr. Henderschedt, and Mr. Cotten.

Bill Tweit: …and one more, just sort of as a follow up to that last ….

Eric Olson: Mr. Tweit.

Bill Tweit: I appreciate that answer because I think it really highlights maybe a different way of asking the Commissioner’s question. Also, I think it explains more fully the bullets that you’ve got at the bottom of page 6, the bullet that says, “In the interim, future Section 7 consultations on the groundfish fisheries must continue to reach determinations based upon the best available scientific information.” I think what I heard you say was that even if you had gotten the CIE review after you pulled most of the BiOp together but before you had actually begun maybe even to develop RPAs, if you had gotten a CIE review of this nature, even though they said the information is not very good, there’s a very real possibility the agency still might have said that even though an independent science review is telling us that this relationship... there’s no real solid science supporting the relationship, the best available information is still the scientific opinion from at least some of the scientists in the agency that there could well be a correlation and that it’s that best available science that continues to sort of push this through. Because it looks to me like given that, as the Commissioner said, the independent science reviews have all said that the data supporting the relationship are simply, well simply it’s not supportable scientifically but we all acknowledge there’s still some scientists that say, “Yeah, but there probably is a connection,” and we can’t think of another reason so therefore we have to keep coming back to that. Is that really the nub of the best available information?

Jon Kurland: I don’t know that I quite got the essence of the question, but let me try. We do need to render a biological opinion based on the information in front of us. The essence of the CIE reviewers’ criticism was that there wasn’t a direct enough link, direct evidence for the nutritional stress hypothesis. I think we’ve acknowledged that it’s indirect; that we are drawing some inferences. It is a biological opinion and so we’re forming an opinion based on the information that is available to us. We would certainly agree that there isn’t the kind of direct conclusive empirical support that one might like to see before making determinations of this nature. But the agency has to ensure that the fisheries will not cause jeopardy or adverse modification and given that, we make the best decision that we can.

Eric Olson: Maybe I’m missing the essence of the question too, or maybe missing the essence of the answer, but all independent reviews, as the Commissioner stated, have stated that there isn’t conclusive evidence to support the BiOp, and what... maybe this is a blunt way of asking it, but what does it take to change the conclusions of the BiOp if every independent scientist has said there is not a clear link. What would it take?

Jon Kurland: I’m really not sure how to answer that Mr. Chairman. We look at the best available information and at the end of the day have to ensure that the fisheries will not cause jeopardy or adverse modification. And again, we’re in a position where we can’t rule out fisheries as a cause, and there’s
some indicators that fisheries are a cause. It’s not direct; it’s not conclusive; it’s the information that we have. The reviewers were very helpful in pointing out some limitations, some potential biases in the information, the pup/non-pup ratios and use of that as a proxy for natality. They raised some very good points about that, that we’re going to have to look at rigorously as we move forward, and we’re going to do that. But we’re still concerned about the prospect of nutritional stress, even though the reviewers made their case that we didn’t have any conclusive link to nutritional stress, we acknowledge that point, but we’re still concerned about the possibility of nutritional stress being an underlying cause in the predicament that these animals face.

Eric Olson: Mr. Oliver, Mr. Henderschedt, and Mr. Cotten.

Chris Oliver: Mr. Chairman, my question was almost identical to Mr. Tweit’s, maybe a slight nuance, because it says “in the interim we must continue to reach determinations based on the best available scientific information.” And it occurs to me that we have the EIS process for which we’re developing alternative RPAs, but we also have any number of management actions not directly related to Steller sea lions that the Council might be undertaking that have to undergo an informal consultation or biological assessment, and so in this interim period, I guess the question to me is, is it the agency’s operating assumption, and therefore, sort of the Council is forced to work within that operating assumption, that even subsequent to the CIE review, that the best available scientific information is that continues to support the natality nutritional stress finding, so we have to sort of accept that as the best available scientific information in this interim period?

Jon Kurland: Mr. Chair, Mr. Oliver, I guess the way I would characterize it is, we have an extant BiOp; there is a BiOp in place that the agency developed, it has been through judicial review and withstood that scrutiny, that is the current Biological Opinion. So we continue to operate under that until such time as the agency does a new Biological Opinion.

John Henderschedt: Thank you Mr. Chair, Mr. Kurland. To come back to this process question…I’m struggling to understand what, if any, impact the CIE review might have on the work of the mitigation committee and ultimately on the Council? And the reason that I’m struggling is that I think in your presentation, two somewhat, at least on the surface, seemingly contradictory statements or the acknowledgement of the lack of direct evidence of fishery-induced nutritional stress, and then under the next steps, the statement that nothing would cause the agency to alter the current measures. And so without…thinking that through, I believe I understand the relationship between those two comments, but obviously one would tend to speak to sort of opening up the work of the mitigation committee beyond perhaps the Western Aleutians, where they’re focusing their work now. And the other might suggest that their work be quite narrow relative to the existing measures. And so my question is how you believe the CIE reviews might inform the work of the mitigation committee and ultimately the Council in identifying the scope or the level of this range of alternatives.

Jon Kurland: Mr. Henderschedt, I guess my opinion is that the most important work of the committee, at this point, is developing the alternatives and it’s appropriate for an EIS to evaluate a range of alternatives. I would say that given our understanding of the best available science, we would anticipate that where we would end up is in a place that is not dramatically different from the status quo—that may or may not be the Council’s preferred alternative. But again we have information that at least causes potential concern for nutritional stress and its effects on these animals. Although the CIE reviewers were again, very, very helpful in pointing out places where our argument wasn’t very clear, where we didn’t explore as rigorously as we could have or should have, alternative points of view, that sort of thing. We’re still left with indicators that nutritional stress is a problem. I think, for the committee and its work, it would be productive to focus on alternatives along the lines of what I think the committee was considering prior to when the CIE reviews came out. Because EIS’ should examine a range of
alternatives, having book ends on that would be appropriate, looking at something more restrictive, something less restrictive. I think that’s the path the Committee has been on and I think that’s a fruitful path. They haven’t gotten into a lot of specifics yet about what alternatives might look like, but as you are aware that process is real close.

**Eric Olson:** Alright I have a number of folks in the queue, I have Mr. Cotten, Mr. Fields, Mr. Dersham, then the Commissioner.

**Sam Cotten:** Thanks Mr. Chairman. You keep referring to the court-ordered EIS which is a result of the lawsuit that was brought forward on the BiOp. But does that prevent you from…the fact that you have to do and EIS… maybe I just don’t understand how this works, but does that prevent you from considering altering current management measures? Or does the court say you must wait till the EIS is completed before you could consider alternative management measures?

**Jon Kurland:** Mr. Chair, Mr. Cotten….it doesn’t constrain us in that way, but just hypothetically, if we had looked at results from CIE reviewers and said, “Holy smokes, we were totally wrong, we need to revisit this.” If we were in that place, we would still need to go through all of the processes that you need to go through in developing fishery management plan amendments, regulatory amendments. We would still need to go through a NEPA process, we would still need to go through a biological opinion and rulemaking to put those kind of changes in place.

**Sam Cotten:** Would you have to wait until the EIS draft was released in May of 2013 before you got started on that?

**Jon Kurland:** No I don’t think so….

**Sam Cotten:** But you’ve decided to do that now.

**Jon Kurland:** I think we could integrate it into that process and again, that’s the point I was trying to make, maybe inelegantly, about we’re in a good place procedurally in that we already have that process queued up. We’re close to the end of a scoping process for an EIS, the Council has a committee that’s poised to develop and recommend alternatives, so we can get into the heart of that much more quickly than if we were starting from scratch after receiving the review from the CIE.

**Eric Olson:** I’m going to circle back to Mr. Henderschedt’s line of questioning…I think I heard you say that in your opinion that the scope of the work of the committee should remain the Central and Western Aleutians but the part that I didn’t understand is if that was the assumption, correct me if I’m wrong, but there are items brought up in the CIE that call into question some of the conclusions that were made for management areas much broader than the central Aleutian. If that was the case why do you feel that the work of the committee should be focused out west?

**Jon Kurland:** Mr. Chairman I didn’t mean to imply…to opine one way or another on the geographic scope of the committee and its work.

**Eric Olson:** Ok, I’m sorry, I misunderstood that.

**Jon Kurland:** I just meant in terms of the committee’s effort at trying to develop alternatives to inform this process, that’s where they need to be.

**Eric Olson:** So if it was broader than the Central and Western Aleutians, in your opinion that would be above board for the committee to look at?
Jon Kurland: Well, as part of the scoping process for this EIS, part of what we look at is the geographic scope. So the agency has been in the process of soliciting information to help inform the appropriate geographic scope for analysis. We haven’t reached any judgments on that at this point.

Eric Olson: Alright. I have Mr. Fields, Mr. Dersham, and then the Commissioner.

Duncan Fields: Thank you Mr. Chairman. I think this picks up on what Mr. Cotten had asked. Is there any reason in terms of your timeframe that you need to wait until May to start a Section 7 consultation, or couldn’t that start almost immediately moving towards a new BiOp that could drop in maybe the middle of 2013 as opposed to the beginning of 2014; why wait until May, that’s my question?

Jon Kurland: Mr. Chair, Mr. Fields, a BiOp needs to be focused on a proposed action. So the reason it’s scheduled for that point in the process, is to have it be clear what the preferred alternative is going to be. So when there’s a draft EIS, presumably there will be a preferred alternative identified and then we’ll have something to sink our teeth into.

Duncan Fields: Second question. On a theoretical basis, one of the fundamental building blocks to the BiOp is the State of Alaska’s participation with the agency in terms of state water closures. Given that all the scientific review would indicate that the BiOp has reached conclusions on limited information, why should the State continue to support the agency with regard to the State waters?

Jon Kurland: Mr. Chair, Mr. Fields, I’m not sure I can really answer that. We hope very much we can continue to work in partnership with the state on this issue; it’s a very difficult issue, it affects us all. And I think we’re more likely to come to solutions when we’re working together in partnership to find those solutions.

Eric Olson: Mr. Dersham

Ed Dersham: Thank you, Mr. Chairman. Correct me if I’m wrong, I’m trying to remember my history here, but… What I remember is the second most recent BiOp, the conclusion was that inclusion of nutritional stress was a possible hindrance to the recovery and the 2010 BiOp said it was a likely scenario, and now in response to the CIE review you’re saying you still have concerns that it’s a possible cause, it seems like that the change from possible to likely between the 2001, or whatever it was, BiOp and the 2010 seemed to have an influence on the changes in the RPAs, so if now you’re back to talking about possible, isn’t that fairly significant?

Jon Kurland: Through the Chair, Mr. Dersham, I don’t’ know how to characterize the adjectives there. I think the agency has been consistent all along in saying there is concern for the potential that…potential effects of nutritional stress…fishery-induced nutritional stress on the Western Distinct Population Segment of sea lions. The standards under the ESA that affect all those BiOps have been the same, the ESA standards haven’t changed. We still have to ensure that the fisheries are not going to jeopardize or adversely modify critical habitat.

Ed Dersham: So basically you… is that a legal interpretation that possible or likely really makes no difference?

Eric Olson: Uh, Counselor.

John Lepore: Mr. Chairman, Mr. Dersham, I don’t intend to get into a legal discussion here at the table, I’ve got to be honest with you. And I think that if we want to go back through the history of the various
BiOps, we probably should have that information right in front of us instead of what we remembered it was. But on the point itself, Mr. Kurland again is correct, the standard has always been the same. And we derive that from the Endangered Species Act and that clearly says we have to ensure that our action is not likely to jeopardize. That’s the standard that we used.

**Eric Olson:** Dr. Balsiger do you have a comment?

**Jim Balsiger:** I guess I would be nervous about Mr. Kurland, or me, or anyone else here, stating what the new BioOp will find in terms of whether or not the fisheries are causing nutritional stress. That’s a study that is yet to be done. So we have to look at all of the data, which includes data that came from the CIE review, it includes data that went to the CIE review subsequent to completing the last BiOp; it includes stuff that the CIE didn’t even have: this summer’s surveys, this summer’s stock assessments. So we can’t say today that we’re still concerned about nutritional stress, nor can we say we’re not concerned about it; we can’t decide that today. So I just want to be careful that we don’t put on the record based on this testimony that there still is nutritional stress or that it’s all gone, we don’t know that yet. That’s an analysis that needs to be done.

**Eric Olson:** Mr. Commissioner Campbell then Mr. Oliver.

**Cora Campbell:** Well, thank you Mr. Chair. I appreciate Dr. Balsiger’s comments because that really goes to the very core of the my concern, because I mean…we have a presentation from NMFS right here that says on page 11, you know, NMFS remains concerned about the potential for fisheries to cause nutritional stress in Steller sea lions. And it really appears to me from everything that I’ve heard Mr. Kurland say… I mean, I think he said something that was very honest earlier which I appreciate. It might be the most honest assessment of the standard the agency is using that I’ve heard in years, and that was we can’t rule out fisheries as a cause. I mean, I appreciate your honesty about the evaluation that’s going on, but it appears to me that what the agency has done here is really just dug in your heals and said despite all evidence to the contrary, we’re going to continue to consider our 2010 BiOp to be the best available scientific information despite the fact that we’ve been told by every independent scientist that has reviewed it, that it’s fundamentally flawed. And we’re going to continue to evaluate every action that we’re consulted on against this document. I mean, to me that appears to be the core message that the Council’s being given. And so I guess my question would be why did you commission a CIE review if you didn’t plan to use the results.

**Jon Kurland:** Commissioner Campbell, that’s not the message that I intended to convey. And if I did convey that message I apologize. We respect and greatly appreciate the CIE reviewers’ input with regard to the existing BiOp. What I meant to convey is, that is the BiOp that is currently in place. Certainly there is new information that has become available since that BiOp. There are updated sea lion counts; there’s updated information on fish stocks in the Aleutian Islands; there’s the feedback that we received from the CIE reviewers. All of that would factor into any new BiOp that we develop. We commissioned the review as part of our commitment to make sure that our decisions are based on the best available scientific information. We thought that was the case the time we issued the BiOp. The reviewers have pointed out a lot of things we could do better. As I tried to outline in the presentation before lunch, the Science Center has already commenced some analysis pursuant to that feedback, the Regional office has identified things that we can do better in future BiOps, and we’re committed to do all of that.

**Cora Campbell:** Mr. Chair I have one final question and that is that it seems to me that one of the key things the reviewers identified was the use of a relatively weak proxy, which is pup to non-pup ratios to infer natality, and that you identified in your presentation that one of the key problems you have is an absence of data on region specific vital rates. And I noted in your presentation that you have identified some research needs but what I didn’t note was any commitment on your part to conduct any new
research to go gather data to fill those gaps, that would allow you to have better information on vital rates in the regions in question, or to have a better sense of what natality truly is, since that’s the driving factor in your assessment of whether or not nutritional stress exists. The State of Alaska has committed significant resources towards new research on Steller sea lions. And I’m just wondering if you can give us a sense of how much of this critical research the agency intends to fund?

**Jon Kurland:** Through the Chair. We could certainly bring Dr. DeMaster up and he can tell you what the Science Center has underway. We have committed resources in the past and are continuing to commit resources to Steller sea lion research. If you’d like to get into the details, I’m sure Dr. DeMaster can give you a summary.

**Eric Olson:** Is there a desire to go into the details of…? I think what we’re looking for is there a commitment for funding not necessarily the details of that and I think that was the essence of the commissioner’s question….

**Jon Kurland:** Within the constraints of available budgets, yes. Obviously that’s a big constraint.

**Eric Olson:** Mr. Oliver.

**Chris Oliver:** Thank you. Jon, I understood your statement that the ESA standard hasn’t changed, and I understand Mr. Lepore saying he wasn’t going to render a legal opinion on this “likely” versus “possible”. But there’s been a third term introduced now which is “concern,” that “the agency still has concern,” and so whenever this does unfold into a new BiOp seems to me it’s going to be pretty darn important for it to clarify how the ESA standard relates to those three different terms, “likely”, “possible”, and now “concern”, which is a new one to me, so just a comment.

**Jon Kurland:** Yeah Mr. Oliver, so in the third bullet there, NMFS remains concerned about the potential for fisheries to cause nutritional stress in Steller sea lions. I think what we’re trying to do is just be honest about where we are based on the feedback we received. We received really valuable feedback; it points out a lot of areas where we can improve. We haven’t seen anything to fundamentally change our concern about the potential for fishery induced nutritional stress. Yes, the reviewers pointed out that we were acting on less than conclusive information, that there are a lot of gaps, that there were inferences drawn, that there was not conclusive evidence. We acknowledge all of that and we’re just trying to be honest, that based on the circumstances, we still have the concern about the potential for nutritional stress, but that being said, whatever preferred alternative emerges from this EIS process. We will do a new Biological Opinion, we will consider the best available information at that point in time, including all this input from the CIE reviewers, and we’ll formulate a new opinion. And Dr. Balsiger is correct, we can’t tell you right now what the answer is going to be, but the fact remains that we have indicators that nutritional stress may be an issue here…and so I guess we’re trying to be straight-forward that, based on the CIE review, that potential concern did not go away.

**Eric Olson:** Mr. Dersham.

**Ed Dersham:** Thank you, Mr. Chairman. Is the only possible solution here that…the current BiOp remains in effect until there’s an entirely new BiOp…is there any possibility that a supplemental to this BiOp could be used to move this process along a little faster, or is that not in the realm of possibility.

**Jon Kurland:** Mr. Chair, Mr. Dersham, I think the only way we would get into a supplemental BiOp is if there were something we identified that really warranted opening up the BiOp that we have now. But given that we have a process under way that pretty soon is going to result in some sort of a new alternative identified that may well be different from the status quo management regime. At least our
The current plan is to focus on preparing for that new analysis and doing a new BiOp at that point, rather than reinitiating consultation or doing a revised BiOp based on the current management regime.

**Eric Olson:** Mr. Cross.

**Craig Cross:** Yeah, Mr. Kurland I guess my question is, is there going to be a change in the makeup of the people that do this BiOp versus the ones that did the 2010. And I ask that because it seems what the CIE review says is that it’s your interpretation of the science. The science is the science. And what they’re saying is your interpretation of the science is different then their interpretation. And so I’m wondering if you are going to have a different group or is it the same group that did that interpretation, is it going to be a different group of people or the same group?

**Eric Olson:** Mr. Kurland.

**Jon Kurland:** Mr. Chair, Mr. Cross, there are some staff changes, there are some staff that remain the same. We recently in the Protected Resources Division hired Brandee Gertke, who was mostly recently with the Sustainable Fisheries Division, to focus on fishery interaction issues and this is going to be a principal responsibility of hers. But this is a big project so it doesn’t rest on any one person’s shoulders. There will be some folks involved who have been involved in the past, and there will be some new folks.

**Eric Olson:** Dr. Balsiger.

**Jim Balsiger:** I would remind everyone that this wasn’t the Alaska region’s BiOp or the Alaska Fisheries Science Center’s BiOp. This was a NOAA BiOp. Dr. Lubchenko had a big hand in where this BiOp ended up. So I don’t think it’s appropriate to try to discover who had the pen in the hand and who was putting the numbers in the tables. This was NOAA who brought this BiOp, so talking about the personnel that was involved in putting it together I don’t think is appropriate.

**Eric Olson:** Fair enough. Further questions for Mr. Kurland? Alright, thank you very much Mr. Kurland. With that we’ll go to Mr. MacLean and Mr. Cotter. Good afternoon.

**Steve MacLean:** Good afternoon Mr. Chairman. Mr. Cotter is here with me to answer questions as they might be related to the Steller Sea Lion Mitigation Committee. So I’m going to start there and just give you a brief rundown of activities that the mitigation committee has undertaken so far. Since May we’ve met 5 times, mostly to review the order to prepare an EIS to review the 2010 Biological Opinion, receive new information about Steller sea lions in Alaska and Russia, an then to begin drafting our scoping comments which we’ll hear about later under Agenda Item C-4, and then begin the process of developing new alternatives for your consideration for the EIS. The mitigation committee will meet again October 18-19, September …
C-1 Halibut Catch Sharing Plan  
Final action  
October 5, 2012

The Council recommends Alternative 3 for Area 2C and Alternative 4 for Area 3A as its preferred alternative for the halibut catch sharing plan (CSP). The purpose of the proposed action is to create a halibut catch sharing plan that establishes a clear allocation, with sector accountability, between the charter and commercial setline halibut sectors in Areas 2C and 3A. To this end, the Council requests that the IPHC annually set a combined charter and setline halibut catch limit, to which the allocation percentage for each area will be applied to establish the domestic harvest targets for each sector. The Council also supports the IPHC implementation of separate accountability for the charter and commercial sectors such that wastage in the commercial sector is deducted from the commercial sector’s catch limit and wastage in the charter sector is deducted from the charter sector’s catch limit.

This action also outlines Council intent to engage in an annual process for determining charter halibut management measures. Upon analysis, and through the Council process, the Council will select the management measure that best minimizes the difference between the annual projected harvest and target allocation, without exceeding the charter halibut allocation. This will allow the Council and public to engage in an effective and transparent process for considering both stakeholder input and the most current information regarding the charter fishery and its management. Annual management measures recommended by the Council will be provided to the IPHC for implementation during the subsequent fishing year.

The Council recognizes that management measures are imprecise; therefore, a small variance can be expected to occur around the target allocation. The Council’s expectation is that these variances will balance over time, to ensure IPHC conservation and management objectives are achieved, and that harvest projections will improve over time as fishery information improves.

Under this action, in Areas 2C and 3A, there is no retention of halibut by skipper and crew while paying clients are on board.

**Element 1 – Charter allocation**

**Area 2C:**
At a combined charter and setline halibut catch limit of <5 million pounds, the charter allocation will be 18.3% of the combined charter and commercial setline halibut catch limit. When the combined charter and setline halibut catch limit is between ≥5 million pounds and ≤5.755 million pounds, the charter allocation will be 0.915 million pounds. When the combined charter and setline halibut catch limit is >5.755 million pounds, the charter allocation will be 15.9% of the combined charter and setline halibut catch limit.

**Area 3A:**
At a combined charter and setline halibut catch limit of <10 million pounds, the charter allocation will be 18.9% of the combined charter and commercial setline halibut catch limit. When the combined charter and setline halibut catch limit is between ≥10 million pounds and ≤10.8 million pounds, the charter allocation will be 1.890 million pounds. When the combined charter and setline halibut catch limit is between >10.8 million pounds and ≤20 million pounds, the charter allocation will be 17.5% of the combined charter and commercial setline halibut catch limit. When the combined charter and setline
halibut catch limit is between >20 million pounds and ≤25 million pounds, the charter allocation will be 3.5 million pounds. When the combined charter and setline halibut catch limit is greater than 25 million pounds, the charter allocation will be 14.0% of the combined charter and commercial setline halibut catch limit.

Area 2C

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<th>Charter %</th>
<th>Charter Mlbs</th>
<th>IFQ %</th>
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Area 3A

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<th>Charter Mlbs</th>
<th>IFQ %</th>
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Element 2 – Charter harvest data collection method

Upon implementation of the halibut CSP, the Council recommends using Alaska Department of Fish & Game logbooks as the primary data collection method for charter harvest.

Element 3 – Guided Angler Fish (GAF)

Individual charter halibut permit (CHP) holders will be allowed to lease commercial IFQ, in order to provide charter anglers with harvesting opportunities, not to exceed limits in place for unguided anglers.

1. Leasing commercial IFQ for conversion to Guided Angler Fish (GAF):

   - A CHP holder may lease IFQ for conversion to GAF for use on the CHP.
   - Commercial halibut QS holders may lease up to 10% or 1500 pounds of their annual Area 2C IFQ, whichever is greater, for use as GAF. Commercial halibut QS holders may lease up to 15% or 1500 pounds of their annual Area 3A IFQ, whichever is greater, for use as GAF. If a QS holder chooses to lease IFQ to a Community Quota Entity (CQE), the same limitations apply.
   - With regard to a CQE leasing its IFQ, any quota which a CQE holds, regardless of origin, could be leased up to 100% to eligible residents of the CQE community as GAF.

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1 The lease limits (10% or 1500 pounds of Area 2C IFQ, whichever is greater and 15% and 1500 pounds of Area 3A IFQ, whichever is greater) apply to the start year fishable IFQ pounds for an IFQ permit. Start year fishable pounds is the sum of IFQ equivalent pounds, as defined in regulations at § 679.2, for an area, derived from QS held, plus or minus adjustments pursuant to § 679.40(d) and (e) of this title.
example, a CQE may hold IFQ derived from purchase, leased from another qualified CQE, or leased from an individual, and then lease up to 100% of the quota it holds to eligible residents. If the CQE is leasing IFQ to an individual that is not an eligible resident to use as GAF, the CQE has the same limitations as other QS holders (i.e., up to 10% or 1500 pounds of their annual Area 2C IFQ, whichever is greater; and up to 15% or 1500 pounds of their annual Area 3A IFQ, whichever is greater.)

- No more than 400 GAF may be assigned to a CHP endorsed for 6 or fewer clients.
- No more than 600 GAF may be assigned to a CHP endorsed for more than 6 clients.

2. CHP holders harvesting GAF while participating in the charter halibut fishery are exempt from landing and use restrictions associated with the commercial IFQ fishery, but subject to the landing and use provisions detailed below.

3. GAF will be issued in numbers of fish. Conversion of IFQ pounds to numbers of fish would be based on the average weight of GAF from the previous year for each area. In the first year of CSP implementation, the GAF weight-to-fish conversion factor will be based on the previous year’s estimates of each area’s average weight of halibut harvested in the charter fishery, or the most recent year without a charter halibut size limit in effect.

4. Except for CQEs as described above in provision 1, subleasing of GAF will be prohibited.

5. Unused GAF may revert back to IFQ pounds and be subject to the underage provisions applicable to their underlying commercial QS on September 1, with an automatic return 15 days prior to the end of the commercial halibut fishing season each year.

6. Charter operators landing GAF on private property (e.g., lodges) and motherships would be required to allow ADF&G and IPHC samplers/enforcement personnel access to the point of landing.

7. Commercial and charter fishing may not be conducted from the same vessel on the same day.

8. The skipper is responsible for ensuring that GAF are marked by removing the tips of the upper and lower lobes of the tail and reporting the length of retained GAF halibut to NMFS through the NMFS approved electronic reporting system.

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2 With respect to a charter business that may be leasing IFQ from a CQE to use as GAF, the charter business is considered an eligible resident if it operates in the CQE community (e.g., charter trips begin and/or end in the community).
C-1 Halibut CSP, Transcript

Motion, Ed Dersham

(reads motion at 8:09, October 5, 2012)

Ed Dersham:

Action Overall
Both currently, and when originally adopted in 2008, this action addresses the instability between the commercial longline sector, which operates in a completely rationalized fishery with individual harvest shares that rise and fall with abundance, and the guided charter sector, which experienced many years of sustained annual growth in a fully utilized resource.

Council intent of the CSP is for a comprehensive management program for the charter halibut fisheries in Areas 2C and 3A, with sector allocations that balance the differing needs of the charter and commercial sectors that also float with varying levels of annual halibut abundance. The purpose of the CSP is to change the annual process of allocating halibut between the charter and commercial fisheries in Area 2C and Area 3A, establish allocations for each sector that are based on a combined catch limit, and specify a process for determining harvest restrictions for charter anglers that are intended to limit harvest to the annual charter fishery catch limit.

- This original intent and purpose has not changed with the selection of the new preferred alternative as outlined in the motion.

The CSP will work to limit the charter fishery to its catch limit over time because the annual restrictions on charter harvest: 1) would restrict harvest at varying levels of a combined catch limit, 2) are responsive to changes in halibut abundance, and 3) would be responsive to public input and use the most current fishery information.

- With the new preferred alternative, the Council has retained its objective to maintain charter season length with no inseason changes to harvest restrictions. Preseason specification of management measures is intended to limit charter harvest to the target before an overage occurs. Annual CSP allocations to the commercial and charter sectors would be established in regulation and management measures for the charter sector would be determined annually through the Council process, guided by public input, current information on the fishery, and an analysis of potential measures intended to provide stability to the guided charter fleet.

It is important to remember that harvest limits outlined under the status quo GHL program and CSP are not directly comparable. Allocations under the GHL and CSP are based on different metrics of available halibut. Under the GHL, the charter allocation is based upon Total CEY (exploitable biomass multiplied by target exploitation rate) and is essentially accounted for as part of ‘other removals’. The GHL increases or decreases at specified ranges of Total CEY, but it does not float with changes in halibut abundance like the commercial limit. Charter and commercial halibut allocations under the CSP are based on a common denominator, the combined catch limit (which is Total CEY minus ‘other removals’). This action creates a methodology in which both sectors’ allocations are based on the CCL, and thus, both sectors’ allocations not only fluctuate with halibut abundance, but are also dependent upon the varying level of ‘other removals’ of halibut (i.e., bycatch, unguided harvest, subsistence harvest) on an annual basis. Per p. 112 of the analysis, the calculation of a sector’s catch limit based on the CEY would

Halibut CSP October 2012 Transcription
be a simple calculation and would be transparent and comprehensible to each user group. This approach is equitable for halibut fishery management because both the commercial and charter sector allocations adjust directly with changes in halibut exploitable biomass. Thus, both sectors would share in the benefits and costs of managing the resource for long-term sustainability under a CCL.

- One of the primary disadvantages of the GHL program is that it is not very responsive or adaptable to changes in halibut abundance and fishing effort.
- Note: An effort to match the CSP allocations to the GHL is difficult for two reasons: 1) they are not based on the same denominator, and 2) because the amount of ‘other removals’ affects the CSP allocations to both sectors annually, matching the CSP to the GHL in one year does not necessarily mean it will mirror the GHL in subsequent years (as the amount of ‘other removals’ changes).
- One of the Council’s primary objectives in adopting the CSP is to create a management program that requires both the commercial and guided charter halibut fisheries to share in the burden of conservation at low levels of halibut abundance, which directly conflicts with the desire by some stakeholders to create a CSP allocation that ‘matches’ the GHL. As presented in all of the CSP options, the charter allocation is smaller than the GHL at low levels of abundance and is larger than the GHL at higher levels of abundance.

**Percentage Allocations**

It is highlighted that because quantitative estimates cannot be provided regarding the magnitude of net national benefits for each of the alternatives under consideration, the analysis does not identify an optimal allocation (see pp. xxv of the analysis). Even if the Council were able to recommend an allocation that maximizes net benefits under current conditions, the multiple changes that occur within sectors and regions would require constant modifications to the allocation in order to maintain the ‘optimal’. Recognizing these limitations, overall, the CSP provides a more equitable management response to changes in Total CEY, compared to the status quo, by allocating each sector a percentage of the combined catch limit (CCL). This results in both sector’s halibut allocations fluctuating with halibut abundance. It will also provide a transparent and comprehensible calculation for each user group to understand.

Higher charter allocation percentages will occur at low abundance levels of halibut to ameliorate the effects of replacing the GHL stair-step benchmark in pounds with a CSP allocation percentage that varies directly with the annual CCL. A higher percentage allocation at lower abundance levels is also intended to keep charter businesses from being severely restricted at times of low halibut abundance.

Under this action and the original CSP, the Area 2C proposed charter allocation percentage at the lowest CCL was calculated based on 125% of the average charter harvest from 2001 through 2005. This was intended to allow for some future growth in the sector. At a greater CCL, the proposed charter allocation percentage was calculated based upon the 2005 guided sport harvest estimates. Because charter harvests exceeded the GHL since it was implemented in 2004, in 2C, it was determined that this was a more appropriate basis for calculating allocation percentages at the higher CCLs (versus the GHL formula based on 125% of harvests).

For Area 3A, under this action and the original CSP, the proposed charter allocation percentage at the lowest CCL was also calculated based on 125% of the average guided sport harvest from 2001 through 2005. At a greater CCL, the proposed guided sport allocation percentage was calculated based on 125% of the average guided sport harvest from 1995-1999. Because the Area 3A guided sport harvest had not
exceeded the GHL by more than 3% since implementation, it was determined that the GHL formula is an appropriate allocation target in this area at the higher combined catch limits.

In giving consideration to which charter (and commercial) allocation percentages would be the most appropriate and equitable for each management area, the Council took into account recent charter harvests adjusted for both the logbook correction and crew harvest. By doing so, the Council was able to compare charter harvests in Areas 2C and 3A directly to the charter allocations proposed under each of the alternatives.

Under the preferred alternative put forward in the motion, the Area 2C percentage allocation under Alternative 3 are only increased from the original CSP to account for the move to using logbooks as the primary mechanism to estimate charter harvest. Data from the most recent five years of harvest (2006-2010) available at the time was used to provide an adjustment, based on the average difference between harvest estimates provided by logbooks and the SWHS. Without this adjustment factor incorporated, the charter sector would be held to allocations based on years in which the SWHS was used to determine charter harvest, but managed in the future based on estimates provided through the logbooks, which are on average higher than the SWHS estimates.

- The SSC, AP, and Charter Implementation Committee endorse the use of logbooks as the primary data collection method for charter harvest activity (see p. 128 of the analysis).
  - Logbooks represent a complete census of harvest without recall bias; they are verified and signed by the client at the end of each charter trip.

I just want to note that, and I’ve been involved in different capacities with the logbook since it first went into place and was approved by the Alaska BOF and I’ve seen the logbook evolve over the years, and while I certainly agree we’re not perfect yet, I think especially the addition of the license number, the angler, and the signature of the angler next to their catch, has provided a lot more verifiability in the numbers and creates a greater risk for anyone who would want to cheat on their logbook. And in my experiences comparing the charter logbook accounting with most of the attempts to capture charter harvests around the different councils and the rest of the nation, and I would except the state of Washington from this comment, but I think the Alaska charter logbook is far ahead of what goes on in these other areas. But like I say, I recognize it’s not perfect and it’s still a work in progress, but as some testifiers said yesterday, it is intuitively obvious that you’re going to have more accuracy with a logbook that’s filled out on the same day that the trip occurred by the charter skipper and signed by the angler, than any attempt six months later for the angler, wherever they may be to try to remember how many halibut they kept and released on a given day especially if they’re on a multiple day trip.

The Council has taken into account the fact that Area 2C and Area 3A are distinct from each other in terms of halibut abundance trends and charter fishing effort. In Area 2C, the main indices of halibut abundance show a steady decline in EBio from the mid-1990s to the late 2000s. Removals in this area have been generally larger than surplus production, which has stalled rebuilding. Additionally, the charter sector in Area 2C has exceeded its GHL each year during 2004 - 2010. While it appears that declines have been arrested, the stabilized level of halibut abundance is the lowest on record (see p. 42 of the analysis); and of course, we know there future is certainly uncertain but there’s no reason to be very optimistic at this point. Area 3A sits at the current center of halibut distribution where emigration appears roughly equal to immigration. While declines in EBio have occurred in this area over the last several years, Area 3A EBio remains the largest of any of the regulatory areas. In addition, removals in this area (total and individual components) have been relatively stable over the past 15 years (see p. 42
of the analysis). Given the way in which harvest limits have been determined, based on Total CEY calculated in part from estimates of halibut abundance, the commercial IFQ sector has been hit harder in Area 2C than in Area 3A, and it is clear that ex-vessel prices in Area 2C have not nearly made up for the reduction in the commercial catch limit.

**Separate Sector Accountability**

The Council continues its support for the concept of separate sector accountability between the charter and commercial halibut sectors such that wastage in the commercial sector is deducted from the commercial sector’s catch limit and wastage in the charter sector is deducted from the charter sector’s catch limits. Currently, wastage is accounted for under the ‘other removals’ category in the IPHC process.

Under the CSP, the concept of separate sector accountability between the charter and commercial halibut sectors such that wastage in the commercial sector is deducted from the commercial sector’s catch limit and wastage in the charter sector is deducted from the charter sector’s catch limits. Currently, wastage is accounted for under other removals category in the IPHC process. Under the CSP the concept of separate sector accountability will not change the allocation percentages for each sector, but it will change the amount of halibut removals deducted from the Total CEY before the CCL is established. Thus, separate accountability will affect the amount to which the allocation percentages are applied (see pp. 169-173, Table 2-38 of analysis).

It is the Council’s understanding that the IPHC can implement separate sector accountability into their methodology without Council action on this issue. ADF&G is scheduled to provide estimates of wastage in the charter halibut fishery late this year, in time for the upcoming annual IPHC meeting. It is the Council’s intent to support implementing separate accountability at the time the CSP is implemented, and not before, given the uncertainty with applying this approach to the GHL, which is currently specified in regulation.

**Annual Management Measures**

In April, the Council removed the matrix of management measures that was part of its original PA under the 2008 CSP. The rigid structure of the matrix provided no discretion for managers to select an alternative management measure or measures other than those dictated by the matrix regardless of whether harvests under an alternative measure would better achieve the target allocation. As such, it was acknowledged that under the matrix approach, there was a high potential for prescribing management measures that could result in charter harvests deviating substantially from the assigned allocation. Changes in charter fishing effort, demand for charter trips, and harvests, and the inability of the matrix to be responsive to those annual changes, necessitated a more flexible approach by selecting more effective annual management measures to align charter harvests to that sector’s allocation.

Under the PA put forward in this motion, the annual process for selecting charter management measures provides an effective means in which to consider both input from the charter industry and the most current data concerning the fishery (see pp. 167-168 of the analysis). This process provides flexibility to use any newly available information to modify management measures to ensure that the charter industry can provide clients with the best fishing experience possible even in times of low halibut abundance, which requires the imposition of constraints on charter harvests. Projections of charter harvest in Areas 2C and 3A, along with stakeholder input on the types of measures that would be least burdensome to charter businesses, are an integral component of this process. In addition, this process will benefit from input and review provided by ADF&G, the SSC, and the Charter
Implementation Committee. This approach outlines a mechanism for selecting a management measure or measures that will regulate charter catches within an identified allocation based on fishery data, scientific and public input, and harvest projections. While this method will require substantial commitment, coordination, and cooperation from the Council, ADF&G, IPHC, and interested stakeholders on an annual basis (as outlined on pp. 168 of the analysis), it accomplishes the goal of avoiding an overly prescriptive process for the selection of management measures with the potential to impose unnecessary hardships on the charter industry thereby creating a large differential between allocation and actual harvest.

**Removal of Vertical Dips**

Under the CSP, in both Areas 2C and 3A, there is a transition in which the percentage allocation assigned to the charter sector is reduced under higher combined catch limits. In order to avoid a situation in which the charter allocation (in pounds) drops when the CCL increases (i.e., a one pound increase in the CCL results in a reduction to the charter sector by hundreds of thousands of pounds), the analysis provides an appropriate approach to hold the charter sector’s harvest limits constant for a small, defined range of CCLs. This is discussed on pp. 195-199 of the analysis. Under this approach, the Council’s allocation percentages outlined in its preferred alternative are retained and charter sector catch limits stay constant at a fixed poundage level during the short transition between CCL tiers (where the allocation would have been less than the allocation at lower CCLs). This approach continues to meet the Council’s objective of having allocations that are relatively easy to predict, as the management measure to achieve those allocations should be the same as the measure needed to achieve the allocation at the peak before the drop would have occurred (see p. 199 of the analysis).

Under the Area 2C allocation, only one dip needs to be removed; under the allocations in Area 3A, two dips need to be removed.

I just want to say for my own personal calculation of what was best here, we had discussions during the public testimony of drawing the line through the middle of the dip versus drawing a line across the top of the dips and I personally....the practical application of that in one of the dips in Area 3A would be the allocation in pounds to the charter sector either going into a level period at a certain abundance of 3 Mlbs annually or 3.5 Mlbs annually where you reached that point where you were trying to smooth the dip by either drawing the line through the middle or through the top, and I personally feel that it was much more in line with trying to provide the goal of trying to mitigate the restrictions on the 3A charter fleet if they could stay steady at 3.5 Mlbs allocation than they could at 3 Mlb at that point in abundance.

Just a couple more things before I ask for questions and then I turn it over to other Council members’ comment. You know, for me personally, why am I supporting this motion? I think everyone in this room knows that every motion the Council passes in the simplest terms, it takes six votes; and there are places in this motion where I, with my background in the charter industry, would have liked to have gone to more favorable numbers for the charter fleet. It became clear that some of the things I’d like to have had weren’t going to get six votes, and you know in talking to individual Council members, we have to have something that will get at least six votes to move forward, and I think it’s very important that we move forward. I’m not going to make any comments about ....it’s time to finally end this thing, if for no other reason that I’m superstitious because I’ve heard that too many times before, but I do think that this motion as it exists is something that has received individual input from every Council member at this table and I think it has a good chance of being implemented. I personally, in my mind, in Area 3A, I was trying to achieve an outcome....I mentioned back in April that I understood the adjustment for the
conversion to logbooks, while it gave no net benefit to a charter operator, because all it did was really more accurately reflect what had been going on all along. I realized it was a reduction in allocation to the longline sector and taking that into consideration, I favored something that would practically result in basically the easiest way to explain it, is something halfway between Alternative 4 and Alternative 5 because you would kind of be splitting the difference in that adjustment in recognizing that it hurt the commercial sector even though it didn’t help the charter sector. Well, in order to get the six votes and in analyzing what is before us, it was pointed out to me by other Council members that with the information we have, in Area 3A, using the proxy that Mr. Meyers assigned in the analysis to separate accountability for Area 3A, we only have data that can compare those two things in 2011 and 2012, and that’s not currently in the analysis, but it is available, it has been worked up by ADFG staff and it would be my intention that it become included in the analysis. The net effect of using Mr. Meyers proxy number he provided for wastage in the 3A charter fleet, and looking at actual harvests in the last two most recent years, the effect of separate accountability would have been a benefit in those two particular years, versus Alternative 4 in percentage of allocation, even though this is not going to...separate accountability is a separate action, it’s not in the motion, but the net effect in those two years using that proxy would have been a practical increase of allocation to the charter fleet in 3A of approximately .7%—not in regulation but in practical effect. And a point that’s half way between Alternative 4 and Alternative 5 would be (that’s where the 3A charter fleet would be) Alternative 4 plus .8%, so there’s an awful lot of assumptions here. But given similar wastage numbers in the near future in Area 3A gives me some comfort that separate accountability, in a practical sense, does fairly closely create an effect for the 3A charter fleet that’s similar to what an allocation halfway between Alternative 4 and Alternative 5 would be. But I realize that there’s an awful lot of uncertainty there, I know that Mr. Meyers is working currently on a number for the IPHC to use in 2013 and I have no idea what that number will be but just given the circumstances I know I suspect that it will not be too much different than the proxy number that’s in the analysis and I know that some of the things that could effect that in the future would be declining... the inability to retain a two fish bag limit for 3A in the future because as you go from a two fish bag limit to a minimum limit, to a one fish bag limit, then there would be changes in that wastage percentage. So that’s my rationale for me being able to support this motion in regards to 3A.

In regards to 2C, I do not see the votes on this Council for anything above Alternative 3. And I do recognize that there’s a difference in the pain that both sectors have experienced in 2C versus 3A, but I also recognize the fact that that pain has been greatest in the longline sector in 2C, but not because of the faults of the 2C charter operators, because they were operating under their legal limits, but because the management measures were not precise enough to constrain them within their GHL. I have a huge amount of concern of the state of the charter industry in 2C, but I also look at differences between Alternatives 3,4 and 5, for 2C, and I recognize those differences are relatively small compared to management precision and what good effect could come from using the 2012 approach from here forward. I know that we were very conservative for 2012, we wanted to increase their % of GHL from 2011 to 2012, and we wanted to be very careful not to have them go over their GHL. I think clearly, as we develop a baseline with effects, like a slot limit, for example, our precision can get much better and the buffer we need in actual projected numbers can become smaller. I believe the positive effect we can have on the 2C charter industry, is actually greater through our ability to manage them precisely so they don’t have to leave a huge amount of their allocation on the table, which is actually greater than or equal to the difference between Alternative 3 vs. Alternative 4 and Alternative 5. I do totally understand the situation of the 2C charter operator. That’s the reason at our 2011 meeting in Nome, I offered up the motion to start the Charter Mitigation Committee as it was called at that time. This was before we learned we were going to get handed the CSP back for reconsideration. The desire then, at
the committee, was to try at allocations under the 2008 alternative, try to find less onerous measures to place on the charter industry that didn’t do to them what happened in 2010, where they only caught approx. ½ of their GHL with one fish under 37 inch bag limit. That committee just happened to be in place and morphed into something more comprehensive when we attempted to use the 2012 approach for this year. I believe this continues to have great potential and that gives me some comfort in supporting Alternative 3 for 2C. Even though I wish could make an argument that could convince a majority of the Council for something higher. I’ll stop there for questions, but I will have comments later.

Eric Olson: We will open the door for questions and comments and amendments later. Comments on the motion? All right. Any comments on the motion?

Dan Hull: Thank you, Mr. Chairman, and Mr. Dersham for your motion. Thank you also, for your time and efforts you’ve put into the Charter Mitigation Committee and working with council members and stakeholders from both sides to try and understand what are the main issues that the Council has to resolve and trying to work with folks around the table and in the audience to try and arrive at a landing place that you think will move us forward. This action, this motion, would replace the current GHL program, and would also replace the 1 fish bag limit regulations that are in place currently in 2C. I also want to thank the Council and Agency staff for preparing the analysis and for working diligently with the Council over these many years. This analysis thoroughly addresses the issues that NMFS raised in October 2011, when this action was brought back to the Council for clarification on a number of policy and technical issues. These included evaluation of management implications at lower levels of abundance, economic impacts of the Catch Sharing Plan under all potential combined catch levels, and some specific provisions in the GAFF portion of the CSP. This analysis also thoroughly addresses the Council’s request for additional analysis and revisions to the action. In December 2011 and in April of this year. I think that the many folks focus primarily on the allocation part of this action. I think the challenge the Council has is trying to balance, not just the historical harvest and the economic impacts to each sector and the status of the halibut stock in each area...the Council also has to make this choice in the decline of an exploitable biomass for both areas. There’s no possible way for the Council to make both sectors whole economically under the current conditions of the halibut stock in 2C and 3A, so we’re left with the very uncomfortable choice of selecting an alternative that requires both sectors to share the pain. And, like Mr. Dersham, I too would have preferred to see different alternatives or choices in this action, but I believe that the votes aren’t there for that and that where we have landed with this motion is the best place that we can get to at this point. The action does treat 2 C and 3A differently, and Mr. Dersham touched on the justification for that. I would add that the IPHC has stated that migration studies and the changed coast-wide assessment indicates that lower exploitable biomass would be available to both sectors in Area 2C in the future, compared to what was assumed in the GHL. In other words, the total CEY index, used to determine the GHL levels, does not appear to be valid in 2C. And in contrast, 3A is in the center of the halibut population range. Migration and immigration are largely believed to cancel each other out. So while exploitable biomass is also in decline in 3A, it’s not the result of the change to the coast-wide assessment.

Secondly, the analysis clearly shows the longline sector in 2C has experienced dramatic economic losses in revenue and quota share value while ex-vessel prices, and IFQ prices have increased in 2011, they have not come close to compensating for loss, and annual IFQ QS value and revenue for fishermen in 2C. We’ve heard testimony for several years to that effect. The allocation to the charter sector in 3A in Alternative 4 is very close to what the charter sector harvested in recent years, adjusted for logbooks, excluding the harvest of skipper and crew. While this approach does give some deference to the
historic harvest of the sector, it doesn’t hold the charter sector harmless for management measures as the CCL declines further. I don’t believe it would be appropriate for the Council to support a higher allocation that would leave fish unharvested under current levels of abundance, than harvested by that sector. At the same time, Alternative 4 recognizes the decline in 3A longline sector’s catch limit in recent years, and the decline of ex-vessel price that we’ve heard in testimony. And for 2012, the longline sector’s catch limit under alt 4 would have been higher by, I believe, approximately some 470 lbs than under the GHL. Also, under Alt 4, at the higher combined catch limit levels, the allocation percentage to the longline sector is at 14% the same as defined as in the 2008 PPA. So I think for 3A, Alternative 4, we’re making a choice for an amount looking retrospectively at harvests would provide some stability to the charter sector, but going to either Alternative 3, which under higher levels of abundance, would allocate a greater amount that the Charter sector could not have harvested, or under Alternative 5, which would also, under higher levels of abundance, would have allocated to the charter sector more than they could harvest, and would not hold them harmless as CCL fall. So I think, in that regard, Alternative 4 is an appropriate place to land.

**GAF**
The inclusion of the GAF provision is intended to provide operating flexibility for participants in the commercial and charter halibut fisheries by creating increased fishing opportunities in the charter fishery for those anglers desiring such an opportunity, particularly in lower abundance years when the allocations may be constraining, and by providing commercial QS holders with greater flexibility when developing their annual harvest strategy.

- While the original intent and purpose of the GAF program has not changed with the selection of the PPA as outlined in the motion, the Council has taken the steps necessary to clarify the GAF program in order to address NMFS and stakeholder concerns regarding marking of GAF fish, the annual conversion of weight to numbers of fish, and the mandatory return date of GAF to the IFQ holder. This is discussed on pp. 199-221 of the analysis.
- The market-based aspect of the GAF provision will allow charter operators to lease commercial IFQ to increase its halibut harvest beyond the catch limit specified in the annual management measures (up to the limits imposed on the unguided sport halibut fishery).
  - While many charter operators may choose not to use the GAF provision as part of their business plan, allowing the annual transfer of halibut provides a way for charter operators to access additional fish under a potentially constraining allocation.

And, in public testimony, we’ve heard a request for the Council to state an intention that this would be a temporary provision, or a temporary part of the program. I understand the desire to call it temporary, with the idea that we would move on with the catch program, we certainly need to see what the catch program looks like, and how feasible it is. Provided that it is something that is feasible, I’m certainly willing to call this a temporary measure. At the same time, I’ve heard requests for annual review of the GAFF part of the program, and my thought was that an annual report from either ADF&G or RAM division, on the use of GAFF, along with the usual summary statistics that are typically provided at the end of the year, could easily be used to provide some review or reporting of use of GAFF.

I’ll stop there Mr. Chairman.

**Eric Olson:** Thank you very much, Mr. Hull. Mr. Tweit, then Mr. Cotten.

**Mr. Tweit:** I appreciate Mr. Dersham’s motion, and I appreciate his comments on the difficulties in particular of structuring of a motion that does allocate, and that it rarely represents what any individual
Council member might choose. There are parts of motion we all have a lot of agreement on, and it’s those portions that I’d really like to highlight, because I think they’re the most durable parts of the motion for long term.

For me, one of the most important parts is central role that both ADF&G and the Council can play in developing annual management measures. I believe that that’s absolutely appropriate. I believe that the Council and the Department through the Implementation Committee, are the correct bodies to be interfacing with stakeholders. I think the Department’s technical expertise in supporting the development of annual management measures has been demonstrated to be exactly what we’re looking for as a Council, and that the ability to rely on that in the future has proven itself over the last couple of years, and I think we’re taking right approach there. I think the ability for us as a Council to work the process in a way that what we learn from each year’s regulations directly influence the next year’s management measures, and provide a level of responsiveness that is critically important here. I look forward to the Agency and the Department’s strong support and certainly as a Council, to doing what we can to ensure that our management from this point forward of the charter fleets in 2C and 3A is as responsive to recent year’s events and recent year’s data as possible. I think the time has come as a Council to transition from evaluating annual management measures, particularly for 2C, from standpoint that we use the last couple of years, and I think we used the appropriate measure the last two years, and that is choosing management measures that we were very certain would result in harvests that were lower than the target allocation amounts that we had set for those years. That was the appropriate first step, for 2C, that’s been successful, unfortunately it’s left large amounts of unharvested allocation in the water as Mr. Dersham notes. I think the time has come now for us, as a Council, to transition toward a choice of management measures that we think have a high degree of confidence will actually come close to achieving the targets that are embodied in this motion: the annual allocations that are embodied in this motion. I’m sure the Department is ready to provide us with the technical advice and expertise that we need to achieve that as we move forward with this transition. With that, I’ll close with my comments.

**Eric Olsen:** Mr. Cotten?

**Sam Cotten:** Well, thanks, Mr. Chairman. It’s a difficult issue to have complete understanding of where we are to go with it. The things I’ve looked at: is it going to make a difference, especially in 3A, whether the 3A charter fleet is going to have to go to a 1 fish or to give them a management measure that might reduce their ability to market a trip that allows 2 fish? I suggested Alternative 4 doesn’t guarantee that. We may still have to impose management measures as early as next year. I prefer Alternative 3. I suggested the difference between 3 and 4 isn’t such that it would make a difference whether area 3A goes to one fish or modified 1 fish limit. So at least that’s my understanding. What I tried to do is what was fair, given all the things we’ve heard and info we’re received, all the charts and graphs that we’ve been studying...one thing that was fairly consistent, those that those who advocated on behalf of the IFQ fleet, suggested that they were suffering under certain conditions of reallocation, and the advocates of the charter fleet were using the same terms. You’re reallocating our fish. So it really depends on which standards you start with. If you start with GHL, and compare any new program with the GHL, the charter fleet suggested all of these would put them in an inferior position to how they would have been with the GHL.

The IFQ fleet pointed out, accurately, no one can deny the fact that in the last 5 years, they’ve gone from 24 million to 12 million, and the charter fleet has stayed relatively stable around 3 million. So if we
want to look at recent history, and want to preserve recent history, that’s a standard that’s hard to defend that we’re doing that under any of these. So as you dig a little deeper into this material we’ve gotten, there’s another standard we can take a look at: sector’s ability. The percentage each sector enjoys as a percentage of the CEY. Under the GHL in recent years, the IFQ sector has gone from 62% to 60%, while the charter fleet has gone from about 12.6% to 15%. So under the GHL in recent years, as a percentage of CEY, the charter fleet has seen an improvement. If you look at option 2, which is Alternative 4, again, and take a look at percentages of CEY that the IFQ fleet receives, 76% down to 52%, the charter fleet form 12.5% to about 13.3%, again, an increase if you use a % of CEY as a standard. In the PPA, which is Alternative 3, both sectors go down equal percentages. That’s one way to look at it and say, “that’s why that’s fair.” Because both sectors would suffer, and enjoy the same decrease the same percentage of CEY. So I decided that was the fairest way to go, all things considered.

In addition, Mr. Dersham discussed this, when we go to separate accountability in 2C, for reasons that were discussed in public testimony, the commercial fleet in southeast actually gets a little gain there, whereas 3A the commercial fleet, in 2011, about a 1% difference in total allocation. It’s a little less than 2012, in favor of the charter fleet in 3A. But when you think about what’s fair, shouldn’t each side put up with its own wastage and have individual accountability? That’s fair, and the logbook information, well...that’s just about the most accurate data we can use, so that’s fair. And that also ends up in favor of one sector over the other. One thing about separate accounting, though, is that we’ve gotten pretty good data on commercial wastage, and we’ll get a lot better data once the observer program is in place. There’s still a lot of uncertainty about the credibility of the data in the other fleets, as far as what the wastage is going to be there, and we’ve heard a lot of anecdotal information about people cutting fish to see if they’re mushy, throwing them away, (unintelligible) so I just don’t have the same level of certainty going into the future as far as credibility. And if you want to just talk about fairness in general, you can go back and look at one of the fundamental aspects of all these proposals, and that was when we, in 2008, the Alternative 2 on their abundance standard was 125% of the average 2001-2005 charter harvest. And that included 04 and 05 where they went substantially over the GHL, yet were given no credit in that formula for that overage. I know that when we think of PSC or bycatch issues, we tend to not reward people for having exceeded or taken a lot of PSC and in this case it’s obviously not PSC, but they’re over the GHL limit, yet they’re getting credit for it. I’m not trying to change that, I’m just saying if we examine things on the basis of whether or not they’re fair, we’ve done some things in the past that, I think, were used to balance out the whole process. So, I wasn’t sure where the votes were here, but I think you can kind of read the tea leaves, by chance this motion did fail, I would offer Alternative 3. I just think it’s the fairest way to go. Just before I close, I wanted to say thanks to all the people who took their time, once again, to come and testify and give us the benefit of their experience, their business, their concerns, and Jane, Scott, Darrell, for the good work they’ve done in providing us with an outstanding document from which we can make decisions. Thank you Mr. Chairman.

Eric Olson: Thank you Mr. Cotten. I’ll take the counselor first, then you, Mr. Dersham.

John Lepore: Thank you Mr. Chairman. I just wanted to put on the record that this issue is being done under the Halibut Act, and not the Magnuson act, just so that everyone recognizes the different requirements of each. The Halibut Act, when it talks about what the Council can do, it talks about recommending regulations, it lays out some points, one in particular is, the same language, you find in NS4 of the Magnuson Act. So often times, when you’re going through this, and I can point to the VanBalen decision, when Judge Collier looked at some of these issues of fairness and equity, essentially, what the court did was look at some of the guidelines we had in regulation for National Standard 4 in the Magnuson Act. As I was listening to the support for the motion around the table, I heard a lot of
those type of rationales placed before the Council here, and it’s also in the analysis if you look. And I think both Mr. Dersham and Mr. Hull talked about those issues, especially about balancing certain aspects of this issue. Things of historical participation, economic dependence, and how you have to balance those out with conservation concerns. I just wanted to lay that out so everyone would be aware that we are dealing with this under the Halibut Act. The other point I did want to make is that the Halibut Act also does incorporate 303 D6 provisions that are in the Magnuson act. And I think we’re all familiar with those. I want to say those type of issues are also addressed in the analysis. Things like present participation, historical participation and dependence, and economic dependence. Thank you.

**Eric Olson:** Thank you very much, Counselor.

Dersham: Thank you, Mr. Chairman. This whole chord just quarks me, because I was, some of the things he just said was some of the things I was about to address. But thank you, you were probably more clearly stating them. Before I get into that, I neglected to mention my personal feelings of the catch plan in 2C. I recognize that efforts have been extensive to work toward a catch plan and I recognize there are significant hurdles that haven’t been crossed yet, but at the appropriate time when the supporters of that program do bring something for us to look at in staff tasking, if they can show us some light at end of tunnel, a funding mechanism hurdle, and who holds the quota hurdle, I can personally whole heartedly support them in that effort, and at that time, do anything the Council can do to further help that, I would be in favor of. I want to recognize that it has the potential to have significant effect on these severe restrictions the charter fleets are currently experiencing in 2C. Regarding what Mr. Lepore said, the fact that we’re working under the Halibut Act, here, some of the considerations, well, he mentioned the fair and equitable to all fishermen, the words that, because of the input of all the members of this Council, and many different perspectives, I believe this action does address that, in a meaningful way. Mr. Hull said many of us prefer a slightly different solution, but I think in total people who support this motion on the Council, we have met the standards...I think the motion recently calculated to promote conservation, and we recognize we are in an area of concern. There’s so many definitions of conservation, the State of Alaska, to federal definitions, of conservation concern, and we could sit here all day and talk about what constitutes conservation and what doesn’t. But what’s going on with the stock...there’s a conservation purpose in the action we’re taking here. That’s part of our consideration, so I believe, in our action, we’re meeting that standard. To the provision that the measure be carried so that no other particular individual corporation or entity acquires an excessive share of such privileges...I think we’re clearly continuing to not adversely affect that principle. I would request that if NMFS has any further comments in regards to these considerations, or anything that NMFS would like, or has questions as to whom to address, we (could make our comments) prior to taking action if they would like to come up to the table, they could make any comments, Mr. Chairman.

**Eric Olson:** I don’t see anyone rising to your bait, Mr. Dersham. We do have Ms. Baker.

**Rachel Baker:** Just to acknowledge Mr. Dersham’s comment, I think, I don’t have anything else to add. I think through the Council’s examination of the revised analysis in April of this year, through, to your action today, you’ve addressed many of the issues we’ve brought back to you, so I don’t have anything to add at this time.

**Eric Olson:** Thank you. Further comments? Mr. Fields.
Duncan Fields: Thank you Mr. Chairman. Complex issue, lots of information, I’d associate myself with Mr. Cotten’s comments, relative to staff work and particularly this analysis, and I think this revised analysis we have before us reads well, and is well done, particularly with the number of the charts and graphs that were added for this iteration, Mr. Chairman. This grows out of prior Council action, and I think it’s important to note, much of the record we’ve developed is subsumed within what we are doing today, relative to that prior action, and I’d like to associate my thought process with our prior comments, relative to the CSP generally, and the importance of moving to a CSP, now even a more dynamic CSP, that would evaluate fisheries on a iterative basis and develop management measures appropriate for those fisheries, Mr. Chairman. I think back to Councilmember Merrigan’s comments of the 2008 plan particularly in regard to why we were looking at guided charter halibut fleet, as opposed to unguided anglers, Mr. Chairman. Remember that the guided angler fleet has grown most in Southeast Alaska 3A. In addition to that, the unguided angler fleet, is most sensitive to halibut abundance and that effort has remained rather static, or actually declined, in these years of less abundance, Mr. Chairman. I think there are a number of other issues that we’ve covered generally, with regard to the Halibut Act, and perhaps parallel with the some of the main missing provisions that were mentioned by the counselor in Magnuson 303 relative to this action, they would be incorporated in terms of my comments and my reasons for supporting this. Again, Mr. Chairman, as we look toward percentages, I think it’s important to note substantial changes in actual fish available, particularly in area 3A to the charter sector, simply by eliminating skipper and crew. We’ve provided an additional 6%, or 7%, available to those clients. When we add the logbook adjustment, that’s another 1.5% when we move from Alternative 3 to Alternative 4, we’re adding another percent and a half, Mr. Chairman. So there’s been a substantial shift in terms of the preferred Alternative, in terms of this motion, in Alternative 4, prior to where the 2008 action was, in terms of my thoughts. I would probably supported the PPA as a midpoint between the Alternative 5 and the 2008 status quo, appropriate mid-point based on logbook adjustments and skipper and crew elimination, elimination of skipper and crew in area 3A. But Mr. Hull did substantial work in relation to timecasting, and I agree that Alternative 4 more closely fits the profile of the fishery over the past 4 or 5 years. And, moreover, when I look at Alternative 4 and I look at what we saw in 2012, which is about 15 million lbs combined CEY. Alternative 4 would provide a 2.625 million lb allocation to the halibut charter fishery in area 3A. And I think that that would have resolved it, in management measures, not necessarily in a one fish bag limit, but a modified limit in some way; perhaps in a seasonality limit on the second fish, or a slot limit or size limit, and that would have shared the conservation burden. So for me, Mr. Chairman, when I intersect Alternative 4 with our reality of 2012, I see, I believe, that that we may have resolved it, in sharing of the conservation burden, and should that combined catch limit go below 59 million lbs, I’m sure that management measures will be implemented relative to the charter fleet, so they can share in that conservation burden. So while Mr. Cotten’s comments relative to Alternative 3 are comments that I could have supported, or that alternative could have been one to support, I also see that Alternative 4 will shift the conservation burden as we move forward.

One of the things that surprised me in this analysis is comparing varied economic benefits of the two sectors relative to halibut. We’ve heard tremendous testimony about the adverse impacts, Mr. Chairman, and the analysis does show some decline in revenue for different areas in 2C for the charter fleet, but nothing in proportion to what we have heard about. Perhaps we don’t have the 2012 information, but even more interesting to me, is that, given the area 2C halibut charter limitations impacts over the last three years, the economic profiles for that industry continue to be very robust, in fact, actually growing. So, I think the economic analysis portion of this truth tests a number of advocates on both sides of the equation in comparative impact. With those comments, Mr. Chairman, I will be supporting the motion, I appreciate the perspective that would have chosen Alternative 3, but
given the circumstances of the respective industries, Alternative 4 is an appropriate and valuable tool for the Council to implement at this time, and the Agency to use year end and year out.

**Eric Olsen:** Thank you Mr. Fields. Further comments? Are we ready to vote? This is final action, and requires a roll call vote. Mr. Oliver, will you please call the roll.

Oliver:
Henderschedt - Yes
Hull - Yes
Hyder – Yes
Tweit – Yes
Dr. Balsiger – Yes
Kimball – Yes
Cotten - No
Cross – Yes
Dersham – Yes
Fields – Yes
Olson – Yes
Passes 10-1
The Council approves the following purpose and need statement and goals and objectives for the Central Gulf of Alaska trawl PSC action:

**Purpose and Need Statement:**

Management of Central Gulf of Alaska (GOA) groundfish trawl fisheries has grown increasingly complicated in recent years due to the implementation of measures to protect Steller sea lions and reduced Pacific halibut and Chinook salmon Prohibited Species Catch (PSC) limits under variable annual total allowable catch (TACs) limits for target groundfish species. These changes complicate effective management of target and non-target resources, and can have significant adverse social and economic impacts on harvesters, processors, and fishery-dependent GOA coastal communities.

The current management tools in the GOA Groundfish Fishery Management Plan (FMP) do not provide the Central GOA trawl fleet with the ability to effectively address these challenges, especially with regard to the fleet’s ability to best reduce and utilize PSC. As such, the Council has determined that consideration of a new management regime for the Central GOA trawl fisheries is warranted.

The purpose of the proposed action is to create a new management structure which allocates allowable harvest to individuals, cooperatives, or other entities, which will eliminate the derby-style race for fish. It is expected to improve stock conservation by creating vessel-level and/or cooperative-level incentives to eliminate wasteful fishing practices, provide mechanisms to control and reduce bycatch, and create accountability measures when utilizing PSC, target, and secondary species. It will also have the added benefit of reducing the incentive to fish during unsafe conditions and improving operational efficiencies.

The Council recognizes that Central GOA harvesters, processors, and communities all have a stake in the groundfish trawl fisheries. The new program shall be designed to provide tools for the effective management and reduction of PSC and bycatch, and promote increased utilization of both target and secondary species harvested in the GOA. The program is also expected to increase the flexibility and economic efficiency of the Central GOA groundfish trawl fisheries and support the continued direct and indirect participation of the coastal communities that are dependent upon those fisheries. These management measures shall apply to those species, or groups of species, harvested by trawl gear in the Central GOA, as well as to PSC. This program will not modify the overall management of other sectors in the GOA, or the Central GOA rockfish program, which already operates under a catch share system.

**Goals and Objectives:**

1. Balance the requirements of the National Standards in the Magnuson Stevens Act
2. Increase the ability of the groundfish trawl sector to avoid PSC species and utilize available amounts of PSC more efficiently by allowing groundfish trawl vessels to fish more slowly, strategically, and cooperatively, both amongst the vessels themselves and with shore-based processors
3. Reduce bycatch and regulatory discards by groundfish trawl vessels
4. Authorize fair and equitable access privileges that take into consideration the value of assets and investments in the fishery and dependency on the fishery for harvesters, processors, and communities
5. Balance interests of all sectors and provide equitable distribution of benefits and similar opportunities for increased value
6. Promote community stability and minimize adverse economic impacts by limiting consolidation, providing employment and entry opportunities, and increasing the economic viability of the groundfish harvesters, processors, and support industries
7. Improve the ability of the groundfish trawl sector to achieve Optimum Yield, including increased product retention, utilization, landings, and value by allowing vessels to choose the time and location of fishing to optimize returns and generate higher yields
8. Increase stability relative to the volume and timing of groundfish trawl landings, allowing processors to better plan operational needs as well as identify and exploit new products and markets
9. Increase safety by allowing trawl vessels to prosecute groundfish fisheries at slower speeds and in better conditions
10. Include measures for improved monitoring and reporting
11. Increase the trawl sector’s ability to adapt to applicable Federal law (i.e., Endangered Species Act)
12. Include methods to measure the success and impacts of all program elements
13. Minimize adverse impacts on sectors and areas not included in the program
14. Promote active participation by owners of harvest vessels and fishing privileges

The Council requests that staff provide a discussion paper that outlines various catch share options for the Central GOA trawl sector that may be available to meet the above objectives, and how other comparable programs have considered and applied the LAPP provisions in the MSA to meet similar objectives.

The Council adopts a control date of December 31, 2012. Any catch history after this date may not be credited in any allocation system when designing a future fishery management system.
Observer 2013 Deployment Plan

The Council reviewed NMFS' Annual Deployment Plan for the 2013 Observer Program. The plan describes the methodology that is proposed to deploy observers on vessels in the partial coverage category (distinct from the full coverage category, where a minimum of 100% observer coverage is required). Catcher vessels that are over 57.5' length overall will be in the trip selection pool, where every trip must be registered, and each trip has a probability of being randomly selected for observer coverage. Vessels from 40' to 57.5' length overall will be in the vessel selection pool, where each vessel has a probability of being randomly selected on a quarterly basis for observer coverage; if selected, that vessel must have an observer onboard for all trips during the calendar quarter. Catcher vessels under 40' length overall, or that fish with jig gear, will not be required to carry observers. Under the 2013 plan as presented, the probability of trips (in the trip selection pool) and vessels (in the vessel selection pool) being selected for observer coverage is equal, that is, a 13% probability in either case. The Council acknowledged the considerable work of agency staff in developing the deployment plan, and keeping the restructured observer program amendment on track for implementation in 2013.

The Council recommended two changes to the plan. First, that the plan be revised to reflect a priority for monitoring vessels managed under prohibited species catch (PSC) limits in the trip selection pool. Including this as a priority would necessarily result in modifying the probability of being selected for observer coverage in both selection pools, occasioning higher coverage rates on trips in the trip selection pool, and lower coverage rates on vessels in the vessel selection pool. Secondly, the Council asked NMFS to reconsider the duration of observer coverage for vessels in the vessel selection pool, to change the proposed 3-month (calendar quarter) period to a 2-month deployment period.

The plan, and NMFS’ presentation, also described the objectives for the 2013 electronic monitoring (EM) project. For 2013, the project will focus on vessels in the vessel selection pool, operating out of Homer, Petersburg, Sitka, and (if funding permits) Kodiak, and with landings of halibut and sablefish IFQ. NMFS will be soliciting volunteers to carry a video-based EM system for a calendar quarter, as well as exploring whether other, non-camera systems may provide alternate options for improving catch and discard estimation.

The Council also requested that NMFS develop a strategic planning document specific to the Council's April 2011 EM management objective, to collect at-sea discard estimates from the 40' to 57.5' IFQ fleet. The strategic plan should include a timeline, vision, and funding outlook for how the 2013 EM project and future years’ work will serve to meet this objective.

The Council had a number of other specific recommendations, including requesting clarifications on the implementation of the program be addressed through NMFS’ outreach efforts, scheduled for the fall and early spring. The Council also recommended a number of measures that should be included in the agency's first performance review, scheduled for June 2013. The full motion is available on the Council website.

Finally, for 2013, the Council requested NMFS work together with trawl vessels in the partial coverage category (in particular, the BSAI Pacific cod catcher vessel fleet, but also GOA trawl vessels) to develop a mechanism to allow for voluntary 100% observer coverage at certain times, with the additional costs to be borne by the vessel owners. However, the Council notes that this is an interim solution for these vessels, and also advises the trawl industry to work with NMFS to identify options for a long-term solution, which could be presented to the Council for a proposed amendment analysis at some time in the future. Staff contact is Diana Evans.
Call for SSC Nominations

The Council's Scientific and Statistical Committee (SSC) is widely recognized as a critical foundation to the North Pacific fisheries management success story. The SSC advises the Council on numerous management decisions, including stock assessment and modeling techniques, data collection, ABC recommendations, achievement of rebuilding targets, social and economic impacts of management decisions, protected species interactions, and sustainability of fishing practices. SSC members shall be federal employees, state employees, academicians, or independent experts not employed by advocacy or interest groups. SSC members serve one-year terms, but may be reappointed indefinitely. The SSC generally meets five times per year, for three days at a time, and stipends are provided to non-governmental SSC members. The Council is accepting nominations to the SSC for 2013 in all areas of fishery-related expertise (biology/stock assessment, statistics, resource economics, sociology/anthropology, marine mammals, or other relevant disciplines). Please submit resume’ and cover letter to the Council offices by November 19, 2012. SSC appointments for 2013 will be determined by the Council at the December 2012 meeting. Council staff contact is Chris Oliver.

Central GOA Trawl Catch Shares

Over the course of the past few years, the Council has advanced a number of actions to reduce the use of prohibited species catch (PSC) in the Gulf of Alaska fisheries. The Council recently introduced Chinook PSC limits in the Gulf pollock fisheries and will consider an action to extend similar Chinook PSC limits to non-pollock groundfish fisheries in the Gulf at its December meeting. At its June meeting, the Council took action to reduce halibut PSC available to trawl and longline fisheries in the Central and Western Gulf. This series of actions reflects the Council’s commitment to reduce prohibited species catch in the Gulf fisheries. Participants in these fisheries, particularly in the Central Gulf trawl fishery, have raised concerns that the current limited access management creates a substantial disincentive for participants to take actions to reduce PSC usage (particularly actions that could reduce target catch rates). Other participants, who choose not to exert efforts to avoid PSC, stand to gain additional target catch by continuing to harvest fish at a higher catch rate, at the expense of vessels engaged in PSC avoidance. The Council has adopted a purpose and need statement and goals and objectives to support the development of actions to modify management of the Central Gulf trawl fisheries to remove this disincentive.

The purpose and need statement states that the current management limits the ability of the fleet to effectively address challenges arising from limits on PSC, Steller sea lion measures, and variable total allowable catches. The new management structure is intended to eliminate the derby-style race for fish by allocating catch shares (i.e., the allowable harvest) to individuals, cooperatives, or other entities, which will eliminate the derby-style race for fish. The goal of the program is to improve stock conservation by creating vessel-level and/or cooperative-level incentives to eliminate wasteful fishing practices, providing mechanisms to control and reduce bycatch, and creating accountability measures when utilizing PSC, target, and secondary species. The action should also have the added benefits of reducing the incentive to fish during unsafe conditions and improving operational efficiencies. The program is expected to support the continued direct and indirect participation of the coastal communities that are dependent upon those fisheries.

To facilitate the development of alternatives for analysis, the Council requested staff to provide a discussion paper that outlines various catch share options for the Central Gulf trawl sector that may meet its objectives. The paper should also examine how other comparable programs have considered and applied Magnuson Stevens Act catch share provisions to meet similar objectives.

The Council also stated its intent to develop a data collection program for fisheries included in the program and that it would attempt to implement prior to the implementation of management changes, in order to provide baseline data to assess the effects of the change of management.

The Council also expressed concern that stating its intention to develop a catch share program could induce speculative entry to the fisheries. To dampen this effect, the Council stated that it may not credit any catch history after December 31, 2012 for purposes of making any allocation under a future fishery management program. The full motion is on the Council website. The Council will review this issue again at its February 2013 meeting. Staff contact is Mark Fina.
Freezer Longline MLOA Adjustment

The Council took final action on an amendment to change the maximum length overall (MLOA) on License Limitation Program (LLP) licenses that have a Pacific cod hook-and-line catcher processor endorsement for the Bering Sea or Aleutian Islands (i.e., the BSAI freezer longline cod fleet). The MLOA on all LLP licenses in the sector would be increased to 220’. Additionally, the Council affirmed that the “large vessel” capacity restrictions of the AFA should no longer apply to this sector, given the conservation and management measures in place in the BSAI cod fishery, including a direct sector allocation and a limited class of participants. The Council observed that while vessels within this sector can currently replace their vessels, relaxing length and capacity restrictions could provide substantial benefits both by improving production efficiency and addressing safety concerns that have been identified by the Coast Guard and industry.

The Council took into account the potential for this action to impact other fisheries, but noted that in most cases, capacity restrictions already exist. In order to protect other participants in the BSAI and GOA Pacific cod pot fisheries, however, an option was included in the preferred alternative which would require qualifying LLP license holders that also have pot cod endorsements to choose either to receive the larger MLOA and thus extinguish their pot cod endorsements, or to retain both the original MLOA and the endorsements. These owners have 36 months to make this decision. The Council discussed impacts to other participants in the GOA freezer longline Pacific cod fishery, but concluded that relaxing length restrictions does not change the ability of the BSAI fleet to increase its participation in GOA cod, and noted that a cooperative is under development which will provide the best mechanism for protection of vessels operating exclusively in the GOA. Staff contact is Diana Evans.

Bering Sea Habitat Conservation Area Boundary

The Council received an update from Jason Anderson (Alaska Seafood Cooperative) and Victoria Brown (Trustees for Alaska, representing Association of Village Council Presidents) on the negotiations to come to agreement on a southern boundary for the Nunivak Island-Etolin Straits-Kuskokwim Bay Habitat Conservation Area. Mr. Anderson and Ms. Brown presented a letter signed by Fred Phillip (Bering Sea Elders Group), Jason Anderson (Alaska Seafood Cooperative), and Myron Naneng (Association of Village Council Presidents) that provided highlights of an agreement reached by these groups to adjust the southern boundary of the HCA, and establish a working group to share information, review fisheries data and subsistence impacts, and work together to design and fund research that will be useful to all parties. The presenters noted that there are a few, small details that are yet to be finalized, but they are confident that the agreement will soon be in place. Therefore, Mr. Anderson and Ms. Brown requested that the Council not take any action on this issue for at least the next five years.

The Council commended all parties on their ability to reach agreement and took no action on the issue. Staff contact is Steve MacLean.

Northern Bering Sea Research Area

The Council received a brief summary from staff regarding the discussion paper prepared by the Alaska Fisheries Science Center that summarized existing knowledge of the Northern Bering Sea ecosystem, potential effects of non-pelagic trawling on the Northern Bering Sea ecosystem, and provided some considerations for designing a research plan for the Northern Bering Sea Research Area. The Council also heard public testimony from tribal, community, conservation, and environmental organizations that requested that the Council not authorize non-pelagic commercial trawling in the Northern Bering Sea, and forego any further development of a research plan for the Northern Bering Sea Research Area. The Council elected to take no further action on this issue. Staff contact is Steve MacLean.

Vessel Monitoring System

The Council requested that the staff discussion paper identifying current VMS coverage in the groundfish and crab fleets, and potential needs and possibilities for VMS usage in the future, be updated to include additional considerations as suggested by the Council’s Enforcement Committee for review at its December meeting. These include an evaluation of previous search and rescue cases, and further refinement of the characterization of vessels that are not currently required to carry VMS. Staff contact is Jon McCracken.
AFA Vessel Replacement/GOA Sideboards

At this meeting, the Council reviewed an analysis to clarify AFA vessel replacement provisions of the Coast Guard Authorization Act of 2010 and to prevent participating AFA vessels that are replaced from increasing fishing effort beyond historical catch in the GOA. The Council requested the analysis be revised per SSC comments and bring back to the Council for initial review in December 2012. Staff contact is Jon McCracken.

AFA Vessels as Amendment 80 Replacement Vessels

At this meeting, the Council reviewed a discussion paper examining the potential for allowing American Fisheries Act (AFA) vessels to be used as Amendment 80 replacement vessels. Current regulations prohibit AFA vessels from use as Amendment 80 replacement vessels. After reviewing the discussion paper and receiving recommendations from the Advisory Panel and testimony from public, the Council initiated an analysis of options that would allow the use of AFA vessels as Amendment 80 replacement vessels. The full purpose and need statement and options for analysis are on the Council’s website. Staff contacts are Mark Fina and Jon McCracken.

Proposed Groundfish Harvest Specifications

The Council recommended proposed harvest specifications for the Bering Sea Aleutian Islands (BSAI) and Gulf of Alaska (GOA) groundfish fisheries for 2013 and 2014. The purpose of the proposed specifications is to allow the public an opportunity to review and comment on potential final specifications for 2013 and 2014 that will be decided during the December 2012 meeting. The proposed harvest specifications for the next two years are based on rollovers of the harvest specifications currently in effect for the start of 2013, as no new information was available.

NMFS will publish proposed overfishing levels (OFLs), acceptable biological catches (ABCs), total allowable catches (TACs), and prohibited species catch (PSC) limits. The action includes proposed halibut discard mortality rates for Community Development Quota (CDQ) fisheries in the BSAI and non-CDQ fisheries in the BSAI and GOA based on revised estimates from the IPHC using established methodology. The Council will review the proposed rates again in December.

The Council also received numerous reports from the GOA and BSAI Groundfish Plan Teams on the results of research surveys, working group reports, other research initiatives in support of stock assessments, and a plan for revising the process for identifying 5-year research priorities each year. The Council supported a biennial cycle for all flatfish stocks, which will be timed to coincide with new survey biomass estimates, as already is the case for rockfish stocks, and other Tier 5 and 6 stocks. The Council also identified a lack of clarity and transparency for the processes by which the Stock Structure Working Group and Groundfish Plan Team account for management trade-offs under the current approach when uncertainty regarding stock structure results in a conservative recommendations for splitting stocks into separate management areas for the purpose for setting harvest specifications. The Council requested that the teams address how it will incorporate potential management solutions by federal managers, Council policy makers, and industry in its process for determining when and how to split stocks.

The Plan Team reports, proposed harvest specifications for the BSAI and GOA are posted on the Council website. Contact Jane DiCosimo (BSAI) and Diana Stram (GOA) for more information.

Crab OFLs and ABCs

The Council reviewed the final SAFE report for the BSAI crab stocks. The SSC recommended the OFLs and ABCs for the remaining six of the ten stocks (four stocks have already had specifications set in June).

One of the ten BSAI stocks remains overfished (the Pribilof Islands blue king crab stock). The Council took final action on a revised rebuilding plan for that stock in June and the analysis is being prepared for Secretarial review. The Council’s preferred alternative closed the Pribilof Islands Habitat Conservation Zone (PIHCZ) to fishing with pot gear for Pacific cod, the highest source of blue king crab mortality in the groundfish fisheries.

Biomass estimates for Tanner, Norton Sound red king crab and St. Matthew blue king crab are all above their BMSY estimates while estimates for Bristol Bay red king crab, EBS snow crab and Pribilof Islands red king crab are below their BMSY estimates. No BSAI crab stock experienced overfishing in 2010/11. The Tanner crab stock has previously been listed as overfished following the Council being informed in October 2010 that informed by NMFS that the then most recent stock assessment for Tanner crabs indicated that the stock biomass had declined below its minimum stock size threshold (MSST). The most recent assessment approved by the SSC uses a new model which has been under development for several years and was approved for use in June to estimate stock status in this cycle. Based primarily on a modification in the time frame employed to estimate recruitment in this model, the model indicates that the stock status has changed and the stock is neither overfished nor below BMSY. A rebuilding plan under these circumstances is no longer necessary.

The SSC responded to a request by the CPT for clarification of the utility of the current maxABC control rule and the treatment of uncertainty in this control rule, by proposing the formation of a joint Plan Team/SSC workgroup to evaluate how uncertainty is currently being addressed and to consider improvements to this process. The Council endorsed this request and looks forward to receiving additional suggestions for addressing uncertainty in ABC control rules by this joint workgroup. The final Crab SAFE report, Crab Plan Team report and a table with final OFL and ABC recommendations for all stocks are posted on the Council’s website. Staff contact is Diana Stram.
Steller Sea Lion Issues

The Council received a presentation from staff on the activities of the Steller Sea Lion Mitigation Committee (SSLMC) and received the SSLMC’s recommended scoping comments for the 2012 Steller Sea Lion Protection Measures EIS. Staff presented consensus comments when consensus was reached by the SSLMC. Otherwise, non-consensus comments were submitted to the Council. The Council also received a NMFS report on the recent CIE review of the 2010 Biological Opinion (BiOp). The Council, based largely on the recent CIE review of the BiOp, passed a multi-faceted motion requesting NMFS:

1. Take appropriate regulatory action to vacate the management measures implemented by the interim final rule in time for the 2013 fishery and revert to 2001 measures except where no longer appropriate (e.g., HLA regs with 178 degrees west line, and platooning).
2. Adopt an expedited schedule for completion of the EIS so that it supports the completion of rulemaking for a final rule with new final management measures such that these measures can be fully in place for start of the 2014 fishery.
3. Concurrent with the expedited EIS process, immediately re-initiate consultation with regard to Central and Western Aleutian Islands, and prepare a supplemental Biological Opinion that incorporates the findings and recommendations of the CIE review and Independent Scientific Review Panel. These findings substantially change what is the best scientific information that is now currently available, and the new supplemental Biological Opinion should reflect this new information as it reconsiders the jeopardy and adverse modification determinations for groundfish fisheries in the Aleutian Islands.
4. In light of the continuing overall growth of the western DPS of SSLs and the findings of the two independent scientific review panels, the Council recommends the following as part of the EIS scoping process:
   a. The range of alternatives analyzed should include: Alternative 1 would be the 2010 interim final rule; Alternative 2 would be the regulations and RPAs in place prior to adoption of the 2010 interim final rule adjusted to take into account changes in fishery management that have been implemented since 2003 (Amendment 80, etc); and Alternative 3 has the Alternative 2 regulations with reductions in the pollock closures in the central and western Aleutians. The Council notes that the SSLMC will be working on additional alternatives that may be appropriate to include in the EIS.
   b. The recommendations of the SSC and the SSLMC report on scoping should be fully addressed.
   c. The EIS analysis should fully incorporate the critiques and recommendations made by the CIE review reports from Dr. Bowen, Dr. Stewart, and Dr. Stokes and the Independent Scientific Review Panel report of October 8, 2011.
   d. The EIS should address and respond to public comment received on the draft 2010 BiOp and the public comment received on the interim final rule.

The Council noted that it felt that these actions are necessary to restore public confidence in the quality, validity, and reliability of NOAA science as well as the management and regulatory process, particularly in light of the recent independent scientific reviews of the BiOp. The Council will submit a letter to NOAA Administrator Dr. Jane Lubchenco outlining their concerns related to the CIE review of the BiOp, and the Council’s recommended actions in response to the CIE and other independent scientific reviews. The full motion is posted on the Council website.

Scoping comments, incorporating this motion and the comments of the SSC and SSLMC will be prepared separately and presented to NMFS before the October 15, 2012 scoping comment deadline. Staff contact is Steve MacLean.

Guidelines for comments submitted by email

Comments for Council meetings may be submitted electronically via npfmc.comments@noaa.gov. The Comments must identify the submitter by legal name, affiliation, and date, and must also identify the specific agenda item by number (C-1(a) for example), and must be submitted by the comment deadline. Comments received under these conditions, will be sorted, copied, and included in the Council notebooks. PDF attachments will be accepted, as long as the above criteria are met. Comment received after the deadline will not be copied and distributed, but will be treated the same as written late comments. Emails submitted for the comments must be to the above address, and not to specific Council staff or Council members. Additionally, email comments will only be accepted on items that are on the scheduled agenda.

For more information, call the Council office.

Staff Tasking

The Council discussed several important items during staff tasking, and provided feedback on relative priority for scheduling various agenda items. Two new discussion papers were initiated. The first is a white paper on potential administration and other issues regarding development of a compensated reallocation common pool for the use of IFQ in the halibut charter fisheries. The Council also requested a discussion paper on elements and options for an economic data reporting program for CV, CP, and processors in the Central GOA prior to potential implementation of a catch share program.

Several letters will be sent to other agencies. The Council authorized the Executive Director to submit comments to NMFS on proposed rulemaking for the National Standard 1 guidelines. The Council discussed the letter from the IPHC requesting comments on reopening the halibut fishery closed area in the Bering Sea, and stated its support for the IPHC action, but requested that the IPHC come back to the Council if additional allocation issues are raised at the IPHC meeting. The Council also requested a letter be sent to the NOAA Administrator requesting immediate action to relax Steller sea lion measures in response to recent independent reviews by the Center for Independent Experts and the independent reviews initiated by the states of Washington and Alaska.

Lastly, the Council requested a joint protocol meeting of representatives from the Council and Alaska Board of Fisheries to discuss issues involving proposals to the Board that affect federally regulated fisheries.
Crab Management

The Council took up several crab management issues at its October 2012 meeting. The Council reviewed an analysis of five actions to modify community provisions established by the program. The first action would modify the time period for community entities to exercise rights of first refusal on transfers of PQS and allow additional time for a community entity to perform under any contract on which it exercises the right. The second action would remove a provision under which rights lapse after 3 years of consecutive use of IPQ outside of the community that holds the right and, in the event an entity fails to exercise the right when it is triggered by a transfer, either continues the right in the original community entity or allows the new PQS holder to designate a community entity to hold the right. The PQS holder designation of the entity is intended to recognize that the holder will determine the community that is likely to become dependent on the PQS after the transfer. The Council removed options from consideration that would have limited the community entities that could be selected to hold the right. The third action would apply the right to either only the PQS being transferred or the PQS and any assets based in the community, rather than the PQS and all assets included in the transfer (as the right is currently defined). The fourth action would require a PQS holder to receive permission from the community entity holding the right to use IPQ outside of the community represented by that entity. A fifth action would require additional notices of the location of use of IPQ and transfers of PQS to NOAA Fisheries and the right holder from a PQS holder. The Council asked staff to include in this action an additional notice to NOAA Fisheries from the PQS holder affirming the existence of a contract establishing the right in the annual application for IPQ. The Council also added a sixth action to this analysis that would allocate PQS to Aleutia Corporation (the right holder for Aleutians East Borough non-CDQ communities) in an amount that results in that company receiving 0.0055 percent of the PQS pool.

Halibut Catch Sharing Plan – Final Action

The Council adopted a halibut catch sharing plan (CSP) that establishes a clear allocation, with sector accountability, between the charter and commercial setline halibut sectors in Area 2C (Southeast) and Area 3A (Southcentral). The Plan would create a combined catch limit for both the commercial and charter sectors, and then adjust the sector allocations depending on the size of the combined catch limit. Higher percentages would be allocated to the charter sectors at lower levels of halibut abundance.

Under the CSP the Council would request that the International Pacific Halibut Commission (IPHC) annually set a combined catch limit for both the commercial and charter sectors, and then adjust the sector allocations depending on the size of the combined catch limit. The Council also would request that the IPHC deduct wastage in the commercial sector from the commercial sector’s allowance and wastage in the charter sector from the charter sector’s allowance. Each sector’s wastage minus their allowance will determine their annual catch limit. The Alaska Department of Fish and Game (ADF&G) is developing estimates of charter wastage for IPHC consideration at a future annual meeting. The plan would be implemented by NMFS for 2014, at the earliest. Upon implementation, the ADF&G logbooks would be used as the primary data source for estimating charter halibut harvest.

The Council selected Alternative 3 (its 2012 Preliminary Preferred Alternative) for Area 2C and Alternative 4 (its 2008 Preferred Alternative plus 3.5% of the combined charter and commercial catch limit (or CCL)) for Area 3A as its final preferred alternative. The Plan would replace the Guideline Harvest Level Program in both areas and add a prohibition on retention of halibut by skipper and crew while paying clients are on board in Area 3A; this last action would mirror federal regulations for Area 2C.
The Council stated that the original Area 2C CSP percentage, at the lowest CCL levels, was calculated based on 125% of the average charter harvest from 2001 through 2005. This allowed the sector limited future growth. The proposed charter allocation percentage was calculated based upon the 2005 charter harvest estimates at higher CCLs. Given that Area 2C charter halibut harvests exceeded the GHL since it was implemented (2004) through 2010, the Council determined that basis was more appropriate for determining charter allocation percentages at higher CCLs.

Alternative 4 was selected for Area 3A because it closely represents recent charter harvest, incorporating the change to logbooks and removing harvest for skipper and crew. This alternative intends to ensure that Area 3A charter halibut anglers are not immediately subjected to more restrictive harvest limitations. Alternative 4 increases the charter allocation at lower levels of halibut abundance, but did not change the allocation relative to the 2008 CSP at higher levels of abundance.

Due to an artifact in the charter allocation percentage at predefined points along the CCL, there is one point in Area 2C and two points in Area 3A where a one pound increase in the CCL results in a reduction to the charter sector allocation. To remedy this situation the Council’s allocation percentages are retained over most CCL levels, but the charter allocations are set at a fixed poundage level during the short transition between CCL tiers in which this artifact occurs.

Under both the current GHL Program for 2013 and future implementation of the CSP, annual management measures for both areas would be implemented through what is described as the “2012 approach.” Prior to adoption of annual management measures by the IPHC, the Council would select the management measure that best minimizes the difference between the annual projected harvest and charter halibut allocation. The Council would review recommendations from its charter halibut committee, advisory panel, and the public that would be provided after those groups review an analysis of the most current information regarding the charter fishery and its management. This approach reduces the delay in implementing regulations to address overages, allows for consideration of a greater range of potential measures, and allows for the use of the most recent charter fishery data for implementation of appropriate measure(s) for the next year. The Council recognizes that management measures are imprecise; therefore, a small variance can be expected to occur around the target allocation.

The Guideline Harvest Level Program will remain in effect for 2013, while rulemaking for the CSP is prepared by NMFS. The Council’s Charter Management Implementation Committee will meet on October 19, 2012 by teleconference to recommend a narrow range of management measures for analysis by ADF&G. The analysis will be released prior to the December 2012 Council meeting. The committee will convene again prior to the December meeting to recommend management measure(s) for Area 2C and, if needed, for Area 3A. Meeting information is posted on the Council website. A report on final estimates of 2011 sport halibut harvests is also posted.

On a related issue, the Council requested a discussion paper on whether a proposal to create a Recreational Quota Entity (RQE) to administer a common (halibut quota share) pool plan as a form of compensated reallocation under the halibut CSP would fit into the current Community Quota Entity Program. The Council requested that the paper include a discussion of legal issues by NOAA General Counsel. The Council received testimony that the full recommendations of Catch Accountability Through Compensated Halibut (CATCH) would be provided to the Council at its February 2013 meeting, at the earliest. The Council may schedule its review of this paper to coincide with the full CATCH proposal or at a later meeting to include additional details of the CATCH proposal that are still under development.

Also under its staff tasking discussion, the Council supported a potential action scheduled for consideration by the IPHC at its January 2013 meeting, which would open a currently closed area for halibut fishing and combine it into Area 4E. The IPHC action would not affect the commercial catch limit that the IPHC sets for the combined Area 4C/D/E area. The Council clarified that its Area 4C/D/E Catch Sharing Plan also would not be affected. If the IPHC determines that there may be allocative effects from its potential action to open the area, it would notify the Council prior to the December 2012 Council meeting. The Council would then have an opportunity to comment further prior to IPHC action at its annual meeting in January 2013. Contact Jane DiCosimo for more information on these issues.
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**ITEMS BELOW FOR FUTURE MEETINGS**

- Crab PSC numbers to weight: Discussion paper
- BS Canyons: Updated AFSC report, Fishing activities and management discussion paper (June T)
- Halibut compensated reallocation pool: Discussion Paper
- Salmon EFH revisions: Initial Review
- MPA Nominations: Discuss and consider nominations

**Future Meeting Dates and Locations**

- December 3-11, 2012 - Anchorage
- February 4-12, 2013, Portland
- April 1-9, 2013, Anchorage
- June 3-11, 2013, Juneau
- September 30-Oct 8, 2013 Anchorage
- December 9-17, 2013, Anchorage