

# **GOA Trawl Bycatch Management Purpose and Need Statement, Goals and Objectives, and Alternatives**

The following statements and alternatives are presented as amended by the Council in June 2016.

## **Purpose and Need Statement:**

Management of 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 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 GOA trawl fisheries is warranted.

The purpose of the proposed action is to create a new management structure which allocates prohibited species catch limits and/or allowable harvest to individuals, cooperatives, or other entities, which will mitigate the impacts of a 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 and/or target and secondary species. It will also increase at-sea monitoring in the GOA trawl fisheries, have the added benefit of reducing the incentive to fish during unsafe conditions, and improve operational efficiencies.

The Council recognizes that 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 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 could apply to those species, or groups of species, harvested by trawl gear in the GOA, and/or 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.

## **Overarching Goal and Objective:**

The overarching goal of the Gulf of Alaska Trawl Bycatch Management program is to provide the fleet tools for the effective management and reduction of PSC and bycatch, and promote increased utilization of both target and secondary species while minimizing economic barriers for new participants by limiting harvest privileges that may be allocated (target species and/or prohibited species) in order to maintain opportunity for entry into the GOA trawl fisheries.

## 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 and participation in 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

## Alternative for Analysis (as amended in June 2016):

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

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

### 1. Observer Coverage and Monitoring

All trawl vessels in the GOA will be in the 100% observer coverage category (or carry electronic monitoring at such time it is an option for trawl vessels), whether they participate in the voluntary cooperative structure or the limited access fishery with trawl gear. NMFS will develop monitoring and enforcement provisions necessary to track quota, harvests, and use caps for catcher vessels and catcher processors, including those necessary for gear conversion. The Council authorizes NMFS to report weekly vessel-level bycatch information as authorized under MSA Sec 402(b)(2)(A). Full retention of allocated target species is required.

## 2. Sector eligibility

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

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

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

### a. Target species:

- Option 1. Pollock (610/620/630/640) and Pacific cod (WG/CG)
- Option 2. WGOA rockfish (northern, dusky, and Pacific ocean perch) and WY rockfish (dusky and Pacific ocean perch)

### b. Secondary species:

- Option 1. Sablefish (WG, CG, WY). Allocations of CG sablefish under the CG Rockfish Program are maintained.
- Option 2. Thornyhead rockfish, shortraker rockfish, rougheyeye/blackspotted rockfish, other rockfish (WG, CG). Allocations of CG rockfish under the CG Rockfish Program are maintained.

Suboption: Big skates and longnose skates

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

### c. PSC species: Halibut and Chinook salmon

## 4. Sector allocations of target and secondary species

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

### a. Pollock and Pacific cod:

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

- Option 1. Revise the GOA-wide pollock apportionments to 30% (A); 30% (B); 20% (C); 20% (D)
- Option 2. Modify the pollock fishery to two seasons: Jan 20 to June 10 and June 10 to Nov 1. (If selected with Option 1, the seasonal split would be 60%/40%).

Suboption: The second season for pollock is June 10 to December 31.

- Option 3. Modify the Pollock trip limit from 136 mt (300,000 lbs.) to 159 mt (350,000 lbs.).

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

Option 4: Modify the trawl Pacific cod fishery seasons: Jan 20 to June 10 and June 10 to Nov 1. No change to the A and B season allocations.

Suboption: The second season for Pacific cod is June 10 to December 31.

b. Other target species and secondary species: Sector allocations would be based on each sector's retained catch (Option: total catch for secondary species) from:

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

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

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

## 5. Sector allocations of PSC

a. Chinook salmon:

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

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

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

b. Halibut:

Historical PSC use would accrue to the history of the sector in which the license holder operated (i.e., PSC associated with vessels that operated as CVs would accrue to the CV sector PSC apportionment; PSC associated with vessels that operated as CPs would accrue to the CP sector PSC apportionment.)

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

- Option 1. 1,515 mt (status quo under Am 95 by 2016, with full 15% reduction in place)
- Option 2. 1,364 mt (additional 10% reduction relative to 2016, phased in over a two-year period)
- Option 3. 1,288 mt (additional 15% reduction relative to 2016, phased in over a three-year period)
- Option 4. 1,212 mt (additional 20% reduction relative to 2016, phased in over a three-year period)
- Option 5. 1,136 mt (additional 25% reduction relative to 2016, phased in over a three-year period)

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

- Option 1. 2008 - 2012

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

c. Rockfish Program PSC:

Any Rockfish Program halibut PSC that would roll over for use in other fisheries (after the set aside for halibut savings) can be transferred to the Gulf program cooperatives through intercooperative transfer. Halibut PSC from CV cooperatives cannot be transferred to CP cooperatives. Rockfish program Chinook salmon PSC would be rolled over to the Gulf program CV cooperatives in proportion to their initial annual non-pollock Chinook salmon PSC allocations.

d. Gear modification. Option: gear modifications for crab protection.

**6. Voluntary inshore cooperative structure**

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

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

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

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

Suboption: No prohibition on processor-owned vessels using processor-controlled PSC. Processor-owned vessels cannot access an amount of the cooperative's PSC greater than the amount they brought into the cooperative.

Suboption: Alternatives for distribution of PSC quota to processors:

- 1) NMFS holds the PSC and distributes the PSC quota upon the processor's request.
- 2) Distribute to processors using the same method as harvester's portion of the PSC quota is distributed.

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

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

Option 1. The qualifying years for determining target species allocations.

Option 2. 2011 – 2012, or the two most recent qualifying years they fished.

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

Option: A processor (facility) can only be in one cooperative on an annual basis.

- e. Each cooperative would be required to have an annual cooperative contract filed with NMFS. Formation of the cooperative would require a cooperative contract signed by (options: 33%, 51%, or 80%) of the license holders eligible for the cooperative and the processor (option: and community in which the processor is located). If a license does not have any qualifying landings, it could still join a cooperative but the license holder does not count toward the cooperative formation threshold. Cooperative members shall internally allocate and manage the cooperative's allocation per the cooperative contract. Cooperatives are intended only to conduct and coordinate harvest activities of the members and are not FCMA cooperatives.
- f. The annual cooperative contract must include:
- Bylaws and rules for the operation of the cooperative
  - Annual fishing plan
  - Operational plan for monitoring and minimizing PSC, with vessel-level accountability, as part of the annual fishing plan
  - Clear provisions for how a harvester and processor may dissolve their contract after the cooling off period of two years. If a harvester wants to leave that cooperative and join another cooperative or the limited access sector, they could do so if they meet the requirements of the contract
  - Specification that processor affiliated harvesters cannot participate in price-setting negotiations except as permitted by general anti-trust law
- g. Cooperative members are jointly and severally responsible for cooperative vessels harvesting in the aggregate no more than their cooperative's allocation of target species and PSC allowances, as may be adjusted by annual inter-cooperative transfers.
- h. Cooperatives will submit a written report annually to the Council and NMFS. Specific criteria for reporting shall be developed by the Council and specified by NMFS as part of the program implementing regulations.
- i. Permit post-delivery transfers of annual allocations among cooperatives. All post-delivery transfers must be completed by December 31.

## 7. Voluntary catcher processor cooperative structure

- a. Annually allocate species to the cooperative. For an eligible CP, the CP history of the vessel in the qualifying years will be assigned to the LLP on the vessel at the time of implementation of the program. Qualifying years:
  - Option 1. 2008 – 2012
  - Option 2. 2007 – 2012
  - Option 3. 2003 – 2012
- b. Apportion halibut PSC and Chinook salmon PSC limits to each cooperative on a pro rata basis relative to target fisheries of vessels in the cooperative [such as, non-pollock Chinook salmon cap divided by area and then based on non-pollock landings (excluding CG rockfish including a PSC apportionment to CG rockfish program participants on a pro rata basis relative to CG rockfish targets); halibut PSC apportioned by area and then in proportion to target groundfish landings associated with cooperative members' LLPs (excluding CG rockfish).] Once in the cooperative, PSC can be used to support any target fisheries within the cooperative at any time (no seasonal or area PSC apportionments).
- c. Participants can choose to either join a cooperative or operate in a limited access fishery [sector- level, non-transferable target allocations and PSC]. No later than November 1 of each year, an application must be filed with NMFS by the cooperative with a membership list for the year. In order to operate as a cooperative, membership must be comprised of:
  - Option 1: at least 2 separate entities (using the 10% individual and collective rule) and/or
  - Option 2: at least [2 – 4] eligible LLP licenses. An LLP must have associated catch history to count toward the threshold.
- d. Cooperative members shall internally allocate and manage the cooperative's allocation per the cooperative contract. Cooperatives are intended only to conduct and coordinate harvest activities of the members and are not FCMA cooperatives.
- e. The contract would require signatures of all LLP holders in the cooperative. The annual cooperative contract must include:
  - Bylaws and rules for the operation of the cooperative
  - Annual fishing plan
  - Operational plan for monitoring and minimizing PSC, with vessel level accountability, as part of the annual fishing plan
- f. Cooperative members are jointly and severally responsible for cooperative vessels harvesting in the aggregate no more than their cooperative's allocation of target species, secondary species, and PSC, as may be adjusted by annual inter-cooperative transfers.
- g. Cooperatives will submit a written report annually to the Council and NMFS. Specific criteria for reporting shall be developed by the Council and specified by NMFS as part of the program implementing regulations.
- h. Permit post-delivery transfers of annual allocations among cooperatives. All post-delivery transfers must be completed by December 31.
- i. No person may hold or use more than the following percentage of allocated target species CP cooperative quota in each region, using the individual and collective rule:
  - Option 1. 30%

Option 2. 40%

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

a. Consolidation limits

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

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

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

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

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

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

b. Regionalization of target species quota

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

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

c. Active participation criteria

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

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

Suboption (applies to Option 1 or 2):

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



## 9. Transferability

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

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

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

Option 1: No more than (5%, 20%, 30%, or 40%) of a CV trawl license's catch history during the qualifying years, for each allocated species, may be transferred to a different CV trawl license.

Option 2: Only CV trawl license holders in the lowest quartile of CV trawl license holdings, per allocated species, may transfer all of the catch history associated with those species from their GOA trawl CV license.

Option 3: (Cooling off provision) License transfers (sale) and the severability provisions are prohibited for CV licenses in the first two years of the program.

## 10. Gear conversion

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

## 11. Limited access trawl fisheries (CV and CP)

If a license holder chooses not to join a cooperative, it may register to fish in the limited access fishery with an eligible FFP and LLP endorsed for GOA trawl by November 1 of the previous season. Under the limited access fishery, the LLP's historic share of (non-transferable) target species will be fished in a competitive fishery open to all trawl vessels in the sector who are not members of a cooperative. The catcher vessel limited access fishery will be subject to all current regulations and restrictions of the LLP and MRAs.

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

- Option 1.       10%
- Option 2.       20%

Option 3. 30%

**12. Sideboards**

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

**13. Program review**

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

**14. Cost recovery and loan program**

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

### **ALTERNATIVE 3. PSC Only Apportionments to Cooperatives**

This alternative would apportion Chinook salmon and halibut prohibited species catch (PSC) limits to voluntary inshore trawl cooperatives, based on their member vessels. The following elements comprise **Alternative 3** for a Gulf of Alaska Trawl Bycatch Management Program for trawl catcher vessels in the Western Gulf, Central Gulf and West Yakutat areas:

#### **1. Observer Coverage and Monitoring**

All trawl vessels in the GOA will be in the 100% observer coverage category (or carry electronic monitoring at such time it is a regulated option for trawl vessels), whether they participate in the voluntary cooperative structure or the limited access fishery with trawl gear. The Council authorizes NMFS to report weekly vessel-level bycatch information as authorized under MSA Sec 402(b)(2)(A). NMFS will develop monitoring and enforcement provisions necessary to track cooperative allocations of PSC.

#### **2. Sector allocations of target species**

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

##### Pollock and cod apportionments:

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

Option 2. Modify the pollock fishery to two seasons: Jan 20 to June 10 and June 10 to Nov 1.

(If selected with Option 1, the seasonal split would be 60%/40%.)

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

Option 3. Modify the trawl cod fishery seasons: Jan 20 – June 10 and June 10 – Nov 1. No change to the A and B seasonal allocations.

#### **3. Sector allocations of PSC**

##### a. Chinook salmon:

The pollock trawl CV Chinook salmon PSC limit is:

Option 1. 25,000 (status quo based on Am 93)

Option 2. 18,750 (25% reduction)

The non-pollock/non-rockfish trawl CV Chinook salmon PSC limit is 2,700 (status quo based on GOA Am 97). Any Chinook salmon PSC caught in WY comes off of the (cooperative or limited access fishery) Chinook salmon PSC limit. The CG rockfish program Chinook PSC limit for the trawl CV sector is 1,200 (status quo based on Am 97). The Chinook salmon PSC limit for the trawl CP fishery is 3,600 (status quo based on Am 97); any Chinook salmon PSC caught by CPs in the GOA accrues to this limit.

##### b. Halibut:

i. The apportionment of the halibut PSC limit between the CP and CV sectors will be based on halibut PSC use by each sector during:

Option 1. 2008 – 2012

Option 2. 2007 – 2012

Option 3. 2003 – 2012

ii. The halibut PSC limit (excluding the CG rockfish program) for each (CP and CV) sector is reduced by:

- Option 1. 10% (phased in over a two-year period)
- Option 2. 15% (phased in over a three-year period)
- Option 3. 20% (phased in over a three-year period)
- Option 4. 25% (phased in over a three-year period)

Different percentage reductions can be applied to the CP and CV sectors.

iii. All CPs operating in the GOA are subject to the CP halibut PSC limit. The CP halibut PSC limit is not further divided by area (CG/WG). Vessels can only be in one sector (i.e., vessels with CP licenses that have delivered shoreside during the selected years can elect to be in the CV sector and deliver their catch shoreside).

c. Rockfish Program PSC:

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

**4. Voluntary inshore cooperative structure**

a. Cooperative eligibility: Shoreside processors with an eligible FPP and harvesters with an eligible FPP and a CV trawl LLP or a CP trawl LLP that did not process catch onboard during the years selected above. Eligible harvesters must have the applicable area endorsement to use PSC apportioned to the cooperative in that area.

b. PSC species allocated to the cooperative are halibut and Chinook salmon, divided first by area (WG and CG/WY) based on historical PSC use (*options: 2003 – 2012; 2007 – 2012; 2008 - 2012*). Once in the cooperative, PSC can be used to support any target fisheries within the cooperative in that area at any time (no seasonal PSC apportionments). PSC would be apportioned to the cooperatives as follows (a different option may be selected for each area, WG and CG/WY):

Option 1. Equal shares. Annually apportion PSC limits to each cooperative on an equal share basis relative to the number of member vessels in the cooperative.

Option 2. Vessel dependency. Apportion (Option: 10% - 50%) halibut PSC and Chinook salmon PSC limits to each cooperative on a pro rata basis relative to the dependency on GOA trawl groundfish by species (pollock, flatfish, and Pacific cod) and area (WG and CG/WY) of the vessel assigned to the cooperative member's vessels the 3 prior years. The remaining PSC would be distributed based on equal shares. The vessel's dependency on GOA trawl groundfish, by species and area, is established by affidavit at the time of filing intent to join a cooperative or participate in the Limited Access fishery. Dependency on GOA groundfish is based on a threshold of (Option: 25% - 75%) of total pounds landed, by species and area, in GOA trawl groundfish fisheries.

Option 3 (can be selected with Option 1 or 2 above). Each processor controls a portion of the annual PSC [options: 5% - 20%] within a cooperative associated with its member

vessels. Each processor would assign the incremental PSC to vessels in the cooperative under the terms of the cooperative agreement. PSC made available by these agreements cannot be used by vessels owned by the processor (a vessel with more than 10% ownership by a processor using individual and collective rules for determining ownership).

Suboption 1: Cooperatives that consist exclusively of processor-owned vessels are exempt from this prohibition.

Suboption 2: No prohibition on processor-owned vessels using processor-controlled PSC. Processor-owned vessels cannot access an amount of the cooperative's processor-controlled PSC greater than the amount they brought into the cooperative.

- c. Participants can choose to either join a cooperative or operate in a limited access fishery on an annual basis. Harvesters would need to indicate by affidavit their intent to participate in the GOA trawl pollock, Pacific cod, or flatfish fisheries in the upcoming year and be in a cooperative with a processor by November 1 of the previous season to access a transferable PSC allocation. A trawl CV license holder can be in one cooperative per region (WG and CG/WY) on an annual basis.

Option: Cooperative formation requires at least [options: 2 – 5] vessels with a CV trawl LLP.

- d. Each cooperative would be required to have an annual cooperative contract filed with NMFS by November 1 of the previous year. Cooperative members shall internally allocate and manage the cooperative's PSC allocation per the cooperative contract. Cooperatives are intended only to conduct and coordinate harvest activities of the members and are not FCMA cooperatives.
- e. Allocate (Options 5% - 20%) of the PSC limits (halibut and Chinook salmon) to cooperatives that sign an inter-cooperative agreement to share member vessel bycatch rates on a tow-by-tow basis and provide bycatch reduction incentives at the vessel level. Allocation of PSC is contingent upon agreement to the terms of information sharing within the inter-cooperative agreement. PSC is allocated by area on a pro-rata basis relative to the number of member vessels (Option: the number of member vessels that meet the active participation requirements) within each cooperative.
- f. The annual cooperative contract must include:
- Bylaws and rules for the operation of the cooperative
  - Annual fishing plan
  - Operational plan for monitoring and minimizing PSC, with vessel-level accountability
  - Provisions that prohibit, on a species or species group basis (pollock, cod, flatfish), an LLP holder/vessel that has had PSC allocated to the cooperative for that species or species group from receiving economic benefits from the cooperative, cooperative members, or persons acting on behalf of the cooperative members for PSC quota use unless both parties meet the active participation requirements in the fishery for which the cooperative was awarded PSC. Active participation shall be determined by the cooperative agreement but shall not be less than 3 annual deliveries per species or species group (pollock, cod, flatfish).

- Provisions that prohibit the cooperative, cooperative members and/or persons acting on behalf of the cooperative members from using or transferring PSC, or otherwise receiving economic benefits from PSC allocated to the cooperative, received on behalf of a vessel unless the vessel actively participates in the fishery for which the cooperative was awarded PSC. Active participation shall be determined by the cooperative agreement but shall not be less than 3 annual deliveries per species or species group (pollock, cod, flatfish).
  - Specification that processor affiliated harvesters cannot participate in price-setting negotiations except as permitted by general anti-trust law
- g. Cooperative members are jointly and severally responsible for cooperative vessels harvesting in the aggregate no more than their cooperative's PSC allowances, as may be adjusted by annual inter-cooperative transfers.
- h. Cooperatives will submit a written report annually to the Council and NMFS. Specific criteria for reporting shall be developed by the Council and specified by NMFS as part of the program implementing regulations.
- i. Permit post-delivery transfers of annual PSC among cooperatives. All post-delivery transfers must be completed by December 31.

#### **5. Transferability and consolidation limits**

(Annually) Allow transferability of PSC cooperative quota for annual use within the cooperative. Limit the amount of each PSC species annual cooperative quota PSC limit a vessel may use in the cooperative to (options: 110% - 150%) of what it brought into the cooperative.

Cooperatives can engage in inter-cooperative transfers of PSC to other cooperatives on an annual basis. Inter-cooperative transfers must be processed and approved by NMFS. Limit the amount of annual PSC cooperative quota a cooperative can transfer to another cooperative to no more than (option: 10% - 50%) of the initial cooperative allocation.

#### **6. Limited access trawl CV fishery**

If a license holder chooses not to join a cooperative, it may fish in the limited access fishery with an eligible FFP and LLP endorsed for GOA trawl. Vessels must pre-register to operate in the limited access fishery by October 1 of the previous year.

Option 1. Sector-level PSC limits. PSC limits in the limited access fishery will retain status quo apportionments by area, season, and/or fishery. Halibut and Chinook salmon PSC limits are annually apportioned to the limited access fishery (sector-level) based on the number of vessels that are not assigned to a cooperative, using the same method selected for the cooperatives, as reduced by:

Suboption 1. 10%

Suboption 2. 20%

Suboption 3. 25%

Option 2. Individual PSC limits. Non-transferable halibut and Chinook salmon PSC limits are annually apportioned to the limited access fishery participants using the same method selected for the cooperatives, as reduced by:

Suboption 1. 10%

Suboption 2. 20%

Suboption 3. 25%

## **7. Program review**

A program review would be conducted five years after implementation and every seven years thereafter.

**ALTERNATIVE 4.** Gulf of Alaska Trawl Bycatch Management Program (Alternative 2) with a Community Fisheries Association allocation or Adaptive Management Program. The CFA (*Option 1*) and AM (*Option 2*) options under Alternative 4 are mutually exclusive.

### **Option 1. Community Fisheries Association (CFA)**

The CFA program would distribute target species of Pacific cod and pollock, secondary species (to mirror Council's allocation of species under Alternative 2, Element 3.b), and halibut and Chinook PSC quota to qualified applicants representing eligible Gulf communities, in order to provide benefits to communities. The intent of the CFA program is to mitigate the potential economic impacts and undesirable social costs of the GOA Trawl Bycatch Management Program on GOA communities with a historical dependence on groundfish. Further, it is the intent of the program to sustain current participation and access to groundfish fisheries by community-based vessels.

This provision would allocate the annual federal total allowable catch (TAC) for trawl target species and associated prohibited species catch (PSC) to a CFA, a non-profit entity described in more detail in below. The CFA would be established under the Fishing Communities provisions of the Magnuson Stevens Act (MSA)<sup>1</sup>, and would be required to comply with the provisions of that section. The CFA would determine how to distribute the annual harvest privileges according to criteria consistent with the goals and objectives, which will be approved by the Council and set in federal regulation. Annual reporting to the Council would be required. The intent of the CFA is to ensure that quota is anchored in GOA communities and that community concerns, including sustained community participation, entry opportunities, equitable crew compensation, bycatch reduction, among others are addressed in the initial program design. CFA quota would be anchored to GOA eligible communities as defined by the Council and would not be available for purchase by individuals or corporations.

Element 1. Allocate 5% - 15% of the fishing quota for all species allocated to CVs under the program to a Community Fishing Association established under §303A(c)(3) of the MSA. Quota allocated to the Community Fishing Association may not be sold.

Element 2. Number of CFAs

Option 1. One GOA CFA

Suboption 1. The CFA will be a single Gulf-wide administrative entity with two divisions, one for the CG and one for the WG. Each division will establish their own contract terms and criteria for distributing quota.

Option 2. Two CFAs (one for the WG and one for the CG)

Element 3. Goals and objectives for a Community Fishing Association:

a. Council-established Goals and Objectives for the CFA (in regulation and/or the FMP):

1. Provide for the sustained (current and historical) participation of fishing communities (MSA National Standard 8).
2. Minimize adverse economic impacts on fishing communities (MSA National Standard 8).
3. Assist entry-level and small vessel owner-operators, captains and crew and fishing communities (MSA §303A(c)(5)(C)).

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<sup>1</sup>U.S.C. § 1853A(c)(3)



4. Incentivize additional bycatch savings beyond standard requirements by rewarding those willing to adopt additional measures to reduce bycatch with access to additional CFA quota.
- b. The CFA may respond to several of the Council’s established Goals and Objectives for the program (numbers refer to Council Goals and Objectives):
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.
  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.
  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.
- c. Possible CFA goals and objectives adopted by the CFA within Council objectives:
1. Maintain crew compensation for CFA quota at levels established prior to the rationalization program.
  2. Enable fishermen to transition into the GOA trawl fishery under the new management
  3. Facilitate gear conversion within provisions of main program.

Element 4. Communities eligible for participation via the CFA

Eligible communities are Kodiak, Homer, Seward, Whittier, Valdez, Cordova, as well as communities within the Western Gulf, Central Gulf, or West Yakutat regulatory areas that meet the CQE eligibility criteria:

Element 5. The CFA must provide community sustainability plan which includes:

a. Description of board, governance structure:

The administrative entity shall be comprised of a Board of Directors as follows:

Option 1. (applies to Element 2, Option 1 Suboption 1 or Option 2)

The Governor of the State of Alaska shall appoint the initial CFA Board of Directors from names submitted for each of the designated seats. Board members shall serve staggered 3 year terms. Thereafter, when a term expires, names to fill the expired term, by seat designation, shall be submitted to the CFA and will be selected by:

- Option 1: member communities on a one vote per community basis,
- Option 2: the Governor of the State of Alaska.

The Boards will be structured as follows:

Central Gulf (9 seats)

Kodiak Borough government (1 seat)

Kodiak City government (1 seat)

Cook Inlet/Prince William Sound Non-CQE (1 seat)

At-large CQE or non CQE community seat (1 seat)

Trawl sector (1 seat)

Processors (1 seat)  
Fixed gear sector (1 seat)  
Crew-trawl or non-trawl (1 seat)  
CQE Community Member (1 seat)

Western Gulf (9 seats)

Aleutians East Borough (1 seat)  
City of King Cove (1 seat)  
City of Sand Point (1 seat)  
At-large community seat King Cove (1 seat)  
At-large community seat Sand Point (1 seat)  
Trawl sector (1 seat)  
Processors (1 seat)  
Fixed gear sector (1 seat)  
Crew – trawl or non-trawl (1 seat)

The CFA will be governed by an Executive Committee with administrative and oversight responsibilities for the organization.

The Board of Directors will vote on the Executive Committee. Executive Committee members will serve 3-year staggered terms.

b. Description of quota distribution process:

Quota will be leased on an annual (option: every 3 years) basis according to distribution criteria established by the Board which meet the goals and objectives for the CFA established by the Council in regulation. To ensure that quota leased from the CFA achieves the goals and objectives established by the Council, quota will be leased subject to specific contract terms which meet the goals and objectives adopted by the Council.

Eligibility to receive quota distribution on an annual basis will be tied to owning a qualified LLP/vessel or fishing that quota on a qualified LLP/vessel. (Option: A qualified LLP is defined as any GOA endorsed groundfish LLP.) The vessel must be active in the fishery (to be defined by CFA Board of Directors). The Board of Directors will develop specific scoring criteria to provide benchmarks and distribution relative to meeting the performance standards.

Contract terms may include:

- Delivery/landing requirements based on historical delivery patterns.
- Membership in a co-op/risk pool and compliance with bycatch avoidance measures.
- Active participation in the fishery – either owner-onboard or significant ownership interest in a vessel.
- Crew share standards.
- Contract terms will be developed by the CFA in accordance with goals and objectives set out by the Council.

**The CFA's lease rates:**

Will be managed by the CFA in accordance with the goals and objectives established by the Council and CFA Board of Directors through the Community Sustainability Plan.

**Processor Cooperatives.** Vessels must be part of a cooperative to have access to quota distributions from the CFA. The co-op must be consistent with the harvester/processor structure required and defined by the Council for the fishery overall.

**New Entrants.** When a new entrant joins the fishery by purchasing a vessel or permit, they will be eligible to lease quota for primary, secondary and PSC species based on the distribution criteria established by the CFA.

**Consolidation limits.** Limit the amount of CFA quota that a lessee can use:

Option 1: 5-25% of the CFA's quota.

Processors would also be limited by a cap to ensure that all processing is not consolidated into too few processors in each area (Western and Central GOA).

Option 1: 10-30%

**Use of Lease Proceeds by CFA.**

Option 1. Use of lease proceeds is restricted to operational and administrative expenses

Option 2. Use of lease proceeds is restricted to investments that directly support community based fisheries and enhance entry level opportunities within eligible communities.

- c. Goals and objectives for the CFA, and explanation of how the CFA intends to meet those goals and objectives
- d. Description of how the CFA will meet the goals of sustaining community participation in the fishery, providing for new entry/inter-generational transfer, and encouraging active participation
- e. Description of how the plan will address the social and economic development needs of coastal communities

Element 6. Require an annual report on or before January 31 as a public document to the Agency

The purpose of the annual report is to provide programmatic information to enable NMFS and the Council to assess the CFA's performance regarding Council goals and objectives and adherence to the Community Sustainability Plan.

## Element 7. CFA Cooperative Program Integration

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

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

### Element 1. Goals and objectives for adaptive management quota

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

Option 2.

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

### Element 2. Process for allocating adaptive management quota

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

### Element 3. Program review and evaluation

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