

FINAL REGULATORY IMPACT REVIEW/  
INITIAL REGULATORY FLEXIBILITY ANALYSIS

For Amendment 106 to the Fishery Management Plan for the Groundfish Fishery of the  
Bering Sea and Aleutian Islands

**AFA Vessel Replacement**

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September 2014

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## EXECUTIVE SUMMARY

This document is a Regulatory Impact Review/Initial Regulatory Flexibility Analysis (RIF/IRFA) whose purpose is to analyze American Fisheries Act (AFA) vessel replacement provisions as amended by the Coast Guard Authorization Act of 2010 (Coast Guard Act) and to evaluate whether the Council should recommend measures, beyond what is in the AFA amendments, to prevent increased fishing effort by replacement or rebuilt AFA vessels in the Gulf of Alaska (GOA) groundfish fisheries. Specifically, the Coast Guard Act addresses the rebuilding, replacement, and removal of vessels eligible to participate in the Bering Sea pollock fishery under the AFA. See Appendix A for Section 602 of the Coast Guard Act and Appendix B for NMFS's preliminary review of the Coast Guard Act provided to the North Pacific Fishery Management Council (Council) in March 2011. The Coast Guard Act expressly authorizes the Council to recommend for approval by the Secretary of Commerce conservation and management measures, including size limits and measures to control fishing capacity, to ensure that the Coast Guard Act does not diminish the effectiveness of the groundfish fishery management plans of the Bering Sea and Aleutian Islands (BSAI) and of the GOA.

To that end, the Council analyzed alternatives to prevent increased capacity in the GOA groundfish fisheries by replacement or rebuilt AFA vessels. The Council concluded that the AFA Amendments in the Coast Guard Act, as interpreted by NMFS, sufficiently protected participants in the BSAI and Gulf of Alaska from increased participation by AFA rebuilt and replacement vessels. The protections for Gulf of Alaska participants include the provision in the License Limitation Program (LLP) that, notwithstanding the AFA Amendments, an AFA catcher vessel may not participate in the Gulf of Alaska unless the vessel is authorized to fish in GOA by an LLP license and the vessel does not exceed the maximum length overall (MLOA) on that LLP license. The Council therefore adopted Alternative 2 – the AFA amendments as interpreted by NMFS – as its Preferred Alternative (PA). The Council also included in its Preferred Alternative that removal of an AFA catcher vessel from the Bering Sea pollock fishery should extinguish the sideboard exemption of that vessel, if the vessel had a sideboard exemption. NMFS interprets the AFA amendments as requiring that result.

### Problem Statement

Passage of the Coast Guard Act necessitates updating the BSAI Groundfish Fishery Management Plan and groundfish regulations to bring the Plan and the regulations into compliance with the AFA, as amended by Coast Guard Act. Currently, the language in both the BSAI Groundfish FMP and groundfish regulations are inconsistent with the AFA as amended by the Coast Guard Act. To correct these inconsistencies, NMFS will adopt regulations to implement the AFA as amended by the Coast Guard Act.

In addition, Section 602 of the Coast Guard Act expressly authorizes the Council to recommend for approval by the Secretary of Commerce measures to control fishing capacity if the Council concludes that such measures are necessary to ensure that the AFA amendments do not diminish the effectiveness of groundfish management in BSAI or GOA.<sup>1</sup> The Council has analyzed a range of options for determining the eligibility for replacement and rebuilt AFA catcher vessels to operate in GOA and for limiting the potential for increased fishing capacity in GOA by AFA replacement and rebuilt vessels.

The Council, at its February 2012 meeting, provided the following problem statement:

*Groundfish sideboard protections are included in the AFA to prevent participating AFA vessels from increasing fishing effort beyond historical catch in the GOA. Ambiguities exist pertaining to groundfish sideboards in the AFA vessel replacement provisions of the Coast Guard Authorization Act of 2010 (Coast Guard Act). For vessels with multiple licenses, it is unclear whether the MLOA on the Bering Sea LLP or the GOA LLP applies to a replacement vessel when fishing in the GOA. Additionally, if an AFA vessel exempt from the GOA sideboards is removed from the fishery and assigns its pollock quota to another vessel, the Coast Guard Act is unclear whether the GOA exemption is transferable in addition to the*

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<sup>1</sup> Section 602(b) of the Coast Guard Act amending AFA section 208(g)(2).

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*pollock quota. Action is needed to clarify vessel replacement provisions of the Coast Guard Act and prevent increased capacity in the GOA groundfish fisheries by AFA vessels.*

## **Description of Alternatives**

**Alternative 1 (no action)** – AFA vessel owners may not rebuild or replace their vessels, except in the case of total or constructive loss—NOT COMPLIANT WITH THE COAST GUARD ACT.

**Alternative 2 (status quo)** – AFA vessel owners are allowed to rebuild or replace their vessels, as provided in the Coast Guard Act. AFA vessel owners may participate in GOA with a replacement or rebuilt vessel as long as the replacement or rebuilt vessel does not exceed the MLOA specified on the GOA LLP groundfish license assigned to the vessel at the time of fishing in the GOA by the vessel. If an AFA vessel owner removes an AFA vessel that is exempt from sideboard limitations, the sideboard exemption is extinguished and the exemption cannot be transferred to another vessel. The Council, at the February 2013 meeting, selected Alternative 2 as the Preliminary Preferred Alternative (PPA). The Council, at the April 2013 meeting, selected Alternative 2 as its Preferred Alternative (PA).

### ***For AFA non-exempt vessels to fish in the GOA, a replacement/rebuilt vessel:***

**Option 2.1:** May not exceed the most restrictive MLOA specified on any GOA LLP assigned to the vessel at the time the vessel owner applies to NMFS for replacement or rebuilding. (The MLOA of any BSAI LLP assigned to the vessel to be replaced does not apply.)

**Option 2.2:** May not exceed the most restrictive MLOA specified on any GOA LLP assigned to the vessel at the time the Coast Guard Act was approved (October 15, 2010). (The MLOA of any BSAI LLP assigned to the vessel to be replaced does not apply).

**Option 2.3:** Must abide by the current 10% limit on increasing the existing length, horsepower, and tonnage, at the time the Coast Guard Act was approved (October 15, 2010).

### ***For AFA exempt vessels to fish in the GOA, a replacement/rebuilt vessel:***

**Option 2.4:** May not exceed the MLOA on the GOA-endorsed LLP license assigned to the vessel to be replaced or rebuilt at the time the Coast Guard Act was approved (October 15, 2010).

### ***Vessel removal provisions (part of Alternative 2)***

Upon removal of an exempt catcher vessel from the AFA inshore cooperative, the sideboard exemption is extinguished and cannot be transferred to another vessel.

## **Potential Effects of the Alternatives and Options**

### **Alternative 1 (no action)**

Under Alternative 1 (no action), AFA vessel replacement would be based on the original AFA provisions only (i.e., rules in place prior to the signing of the Coast Guard Act). At that time, an AFA vessel could only be replaced in the event of a total or constructive loss of the vessel, and the replacement vessel would be subject to limitations on vessel length, gross tons, and shaft horsepower (see Section 1.3.1 for greater detail). In addition, replacement vessels are limited by the MLOA of the LLP license assigned to the replacement vessel, and replacement vessels are also limited by the “large vessel” restrictions of the AFA. The intent of limiting vessel replacement to only total or constructive loss, and limiting the size of the replacement vessel, rather than more liberal vessel replacement provisions, was to stabilize fishing and processing capacity in the BSAI pollock fishery.

From an efficiency perspective, limitations on vessel replacement provisions constrain the economic feasibility of rebuilding and replacing vessels in the AFA sectors. One of the primary advantages of replacing a fishing

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vessel is to incorporate improved hull design, engine efficiency, hold design, processing plant efficiency, and other advancements in marine design. Limiting vessel replacement under this alternative, relative to Alternative 2, inhibits owners from taking advantage of these improvements. Many of the existing AFA vessels were not originally constructed as fishing vessels, but were converted to such use. Inherently, these vessels are less well designed for fishing when compared to a newly constructed fishing vessel. By improving efficiency, vessel owners have the potential to reduce costs of production. In addition, liberalized vessel replacement rules may also provide opportunities to increase revenue through better use of catch.

Restricting vessel replacement to total or constructive loss also has the potential to increase financial hardship, since a loss of an AFA vessel is a sudden and unanticipated event. AFA vessel owners may face a multi-year gap between the loss of a vessel and the activation of its replacement, particularly if the replacement vessel must be built first. A lengthy gap could severely undermine the financial solvency of a company, particularly companies owning one vessel. Companies with more than one vessel may be able to assign other vessels to harvest additional catch to compensate for the loss of vessel. A single vessel company could arrange to have another company harvest the vessel's pollock catch. However, the financial terms of such an arrangement could be unfavorable, particularly if a company is unable to replace a vessel relatively quickly.

Since this alternative, relative to Alternative 2, would allow AFA vessel owners to replace their vessels only in the event of a total or constructive loss of the vessel, and would limit the vessel size of the replacement vessel, there is less potential for replacement vessels to negatively impact other GOA groundfish participants. Continued restrictions on vessel replacement for AFA vessels will likely perpetuate similar fishing behavior of AFA sideboard limited vessels in both BSAI and GOA groundfish fisheries. From the perspective of non-AFA vessels, the continuation of current AFA fishing behavior anticipated under this alternative would likely provide continued harvesting opportunities for non-AFA vessels in the GOA groundfish fisheries.

This alternative would leave the current AFA and LLP regulations in place. The current regulations do not implement the AFA vessel replacement provisions that are contained in the AFA amendments in the Coast Guard Act. That is, adoption of Alternative 1 would be out of compliance with law.

### **Alternative 2 (status quo)**

At the February 2013 meeting, the Council selected Alternative 2 as the Preliminary Preferred Alternative. At the April 2013 meeting, the Council selected Alternative 2 as the Preferred Alternative.

Alternative 2 is the status quo alternative. The status quo alternative is how NMFS interprets the AFA, as amended by the Coast Guard Act, and how NMFS will implement the amendments to the AFA through regulation, if the Council does not adopt any of the options in Option 2.1 through Option 2.4. This alternative would allow an owner of an AFA catcher/processor, catcher vessel, or mothership to rebuild or replace its vessel for improved vessel safety and operational efficiencies.

Under Alternative 2, the AFA rebuilt or replacement vessel would be subject to no limitations on length, size, or horsepower while participating in BSAI.<sup>2</sup> The AFA replacement vessel will be eligible to participate in BSAI in the same manner as the replaced vessel and will receive the same licenses and permits that the replaced vessel held. If the replaced vessel was exempt from sideboard limitations, the replacement vessel will be exempt. If the replaced vessel was subject to sideboard limitations, the replacement vessel will be subject to the same limitations.

An AFA replacement vessel is, however, subject to a limitation on its participation outside of the North Pacific. An AFA replacement vessel may not harvest fish in any fishery not managed under the authority of the

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<sup>2</sup> In section 803 of the Consolidated Appropriations Act of 2004 (Pub. L. 108-199), Congress amended the AFA and allocated the Aleutian Islands (AI) non-CDQ directed pollock fishery to the Aleut Corporation. Final Rule, 70 FR 9856 (March 1, 2005). Nothing in AFA amendments in the Coast Guard Act nor Alternative 2 lessens the authority of the Aleut Corporation under 50 CFR 679.4(m) to select which vessels may participate in the AI pollock fishery including, if it deems appropriate, a selection of vessels based on the length, weight or horsepower.



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North Pacific Fishery Management Council, with the single exception of the fishery for Pacific whiting, managed by the Pacific Fishery Management Council.

The rebuilt vessel will be eligible to participate in BSAI in the same manner as the vessel being rebuilt and will retain the same licenses and permits, with the same sideboard provisions, that the vessel held before rebuilding. An AFA rebuilt vessel is also subject to the limitation on participation outside of the North Pacific that applies to an AFA replacement vessel.

Under Alternative 2, NMFS must interpret and implement a provision in the AFA amendments entitled “Gulf of Alaska Limitation.”<sup>3</sup> This provision states: “Notwithstanding paragraph (1) [which allows for the rebuilding and replacement of AFA vessels], the Secretary of Commerce shall prohibit from participation in the groundfish fisheries of the Gulf of Alaska any vessel that is rebuilt or replaced under this subsection and that exceeds the maximum length overall specified on the license that authorizes fishing for groundfish pursuant to the license limitation program under part 679 of title 50, Code of Federal Regulations, as in effect on the date of enactment of the Coast Guard Authorization Act of 2010.”

NMFS interprets this provision as meaning that notwithstanding the elimination of the limits on the length of AFA rebuilt and replacement vessels in BSAI, the Secretary must enforce the limits on the length of vessels that apply to LLP licenses in the Gulf of Alaska. NMFS concludes that this provision is a savings provision, meaning that Congress intended to save or preserve the MLOA requirement that applied to LLP groundfish licenses for the Gulf of Alaska in effect when Congress adopted the Coast Guard Act. Congress intended to do this “notwithstanding” the fact it was eliminating the MLOA requirements that applied to LLP groundfish licenses endorsed for BSAI.

NMFS does not interpret this provision as requiring the Secretary to freeze participation by AFA vessels in the GOA as of October 15, 2010, the date of enactment of the Coast Guard Authorization Act, and to prohibit an AFA rebuilt or replacement vessel from participating in the GOA if the vessel exceeds the MLOA that was on an LLP groundfish license on October 15, 2010.<sup>4</sup> NMFS believes that this is the type of measure that Congress gave the Council the authority to evaluate and to recommend, if the Council concluded that such a restriction was necessary to ensure effectiveness of the Fishery Management Plan for BSAI and GOA. NMFS does interpret this provision as prohibiting participation in GOA by all AFA rebuilt and replacement vessels unless the AFA rebuilt or replacement vessel has an GOA-endorsed LLP groundfish license and the vessel complies with the MLOA requirements of that license.

Thus, under Alternative 2, **to participate in the GOA, the AFA replacement or rebuilt vessel must have a GOA-endorsed LLP license with an MLOA that equals or exceeds the length of the replacement or rebuilt vessel at the time of GOA fishing by the rebuilt or replacement vessel.** Thus, an owner of a rebuilt or replacement vessel is not limited to the MLOA on any GOA LLP groundfish license as of any specific, past date, but is limited to the MLOA on the GOA LLP groundfish license on the date that the owner wishes to use the AFA vessel to fish in the GOA.

Under Alternative 2, the MLOA on a BSAI LLP groundfish license assigned to any vessel, including an AFA replacement or rebuilt vessel, would not be relevant in determining whether the vessel could participate in the groundfish fishery in the GOA. As under current regulations, the relevant MLOA would be the MLOA on the GOA LLP groundfish license assigned to the particular vessel at the time of fishing in GOA.

A replaced vessel loses its fishery endorsement and is not eligible to obtain a new fishery endorsement with one exception. A replaced AFA vessel can be used as an AFA replacement vessel. To explain, once an AFA

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<sup>3</sup> Section 602 (b)(1) of the Coast Guard Act *amending* AFA section 208(g)(6).

<sup>4</sup> If the Coast Guard Act did require the Secretary to determine whether a vessel could participate in the Gulf of Alaska, based on LLP licenses held by a vessel on October 15, 2010, or any other particular date, NMFS has no reason to conclude that Congress would have intended to base participation in the Gulf of Alaska on the MLOA on an LLP groundfish license that authorized participation in BSAI.

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vessel is replaced, the AFA vessel being replaced loses its fishery endorsement. NMFS transfers the AFA permit from the replaced vessel to the replacement vessel. This does not prevent the replaced or former AFA vessel from, at some future date, **reentering** the AFA fishery as a replacement vessel for a different vessel that leaves the AFA fishery. If a replaced (i.e., former) AFA vessel reenters the AFA fishery as a replacement vessel, the owner of the vessel reentering the AFA fishery must obtain a new fishery endorsement from MARAD. At that point, NMFS will transfer the AFA permit from the vessel leaving the AFA fishery (the replaced vessel) to the vessel entering the AFA fishery (the replacement vessel).

Under Alternative 2, the AFA, as amended, allows owners of AFA catcher vessels that participate in an inshore cooperative to **remove** a vessel from the BS pollock fishery and direct NMFS to assign the vessel's directed pollock fishing allowance to one or more vessels in its cooperative, as selected by the vessel owner.<sup>5</sup> The vessel or vessels selected to receive the directed pollock allowance must remain in the cooperative for at least one year after the catcher vessel being replaced is removed from the fishery. The Act prohibits the removed vessel from fishing in any fishery, except as a replacement AFA vessel and except in the case of four specific AFA catcher vessels. If removed, these four vessels retain their eligibility to participate in any fishery under the authority of the New England Fishery Management Council or the Mid-Atlantic Fishery Management Council in accord with fishery management plans adopted by those councils under the Magnuson-Stevens Act.<sup>6</sup>

All totaled, in 2011, there were 109 catcher vessels, 21 catcher/processors, and 3 motherships that had AFA permits and that would be directly regulated by this alternative.<sup>7</sup> Of these vessels, in 2011, 92 AFA catcher vessels, 17 AFA catcher/processors, and 3 motherships were active. Active AFA catcher vessels and catcher/processors are required to have an LLP license with appropriate operation, gear, MLOA, and area endorsement. As noted in the Table 1-33, there are 137 LLP licenses currently on AFA vessels. Thirty-one of these LLP licenses are endorsed for catcher/processors and 106 are endorsed for catcher vessels. One hundred and twenty-seven of the LLP licenses currently on AFA vessels are endorsed for BS, 70 are endorsed for the AI, 33 are endorsed for Central GOA, and 25 are endorsed for the Western GOA.

### **Motherships**

The AFA specifically listed three eligible motherships and 19 catcher vessels eligible to deliver to these motherships, as well as criteria for eligibility of any catcher vessel not specifically listed (only one vessel so qualified). Under the AFA, the mothership sector operates as a "cooperative of the whole" that includes all eligible catcher vessels, rather than as several separate and distinct cooperatives oriented to each processor within the sectors, as is the case in the inshore sector. In certain circumstances, the AFA allows motherships to participate as members in a cooperative. To date, however, the motherships have not been members of the Mothership Fleet Cooperative.

The mothership sector currently has 19 qualified catcher vessels, all of which were members of the Mothership Fleet Cooperative in 2011. Fourteen of these vessels are "dual qualified" for both the mothership and inshore sector fisheries. For more details on the effects of this alternative on the mothership qualified catcher vessels, see the catcher vessel section.

Under Alternative 2, AFA motherships can take advantage of new vessel designs and improved technology to increase the operational efficiency of the vessel and could increase production capacity of the vessel. AFA mothership owners, when considering replacement of their mothership vessels, are likely to take into

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<sup>5</sup> This provision does not apply to AFA catcher vessels that participate in a mothership cooperative. For AFA catcher vessels that deliver to inshore cooperatives, pollock quota is allocated to the inshore cooperative based on the pollock catch history of the member vessels. For AFA catcher vessels that deliver to AFA motherships, the vessel's pollock catch history is not necessary in determining the pollock allocation to the cooperative.

<sup>6</sup> The four vessels are the AJ (US official number 905625), DONA MARTITA (US official number 651751), NORDIC EXPLORER (US official number 678234) and PROVIDIAN (US official number 1062183). Section 602 (b)(3) of the Coast Guard Act *adding* AFA section 210(b)(7)(C)

<sup>7</sup> AFA-permitted vessels in 2011: NMFS Alaska Region website, <https://alaskafisheries.noaa.gov/ram/afa.htm>

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consideration the potential gains in production and fuel efficiency, potential production throughput, capital costs associated with replacing a mothership vessel, and the availability of replacement platforms. Overall, vessel replacement or rebuilding may allow for some improvement in operational efficiency, which could lead to some consolidation in the AFA mothership fleet. Vessel owners may choose to replace their AFA mothership vessel with a more efficient vessel that can process a greater share of the sector's 10% BSAI pollock quota. This consolidation would not be expected to result in reduced harvest by the mothership catcher vessels. However, it likely will increase the effective processing capacity and production efficiency within the mothership sector.

Rebuilt or replacement AFA mothership vessels would likely have no adverse effects in other groundfish fisheries. As noted in the production efficiency section, replacement or rebuilt AFA motherships could increase operational efficiency and production capacity. However, improvements in production capacity and operational efficiency would likely not be sufficient to make processing of other groundfish species profitable for this sector. The cost of purchasing other groundfish from harvesters, the widely variable quantity of other groundfish delivered to the mothership, the variability of the different species needing to be processed, and the high costs of operating a mothership at sea likely makes processing of other groundfish species unprofitable, at least under current economic and operational conditions. AFA mothership vessels will likely continue to focus on efficiently processing only BS pollock, making processing of other groundfish species less likely, all else equal.

### **Catcher/processors**

In 2011, there were 17 active AFA catcher/processors that ranged in length from 190 feet to 379 feet. In 2011, these 17 catcher/processors harvested 542,835 mt of BS pollock. Besides BS pollock, AFA catcher/processors also harvested yellowfin sole and Pacific cod. One AFA catcher/processor is eligible to participate in the GOA groundfish fisheries and has been active in the Western GOA.

Under Alternative 2, AFA catcher/processor owners may replace or rebuild their vessels, without limits on the length, horsepower, or weight of the rebuilt or replaced vessels, if the purpose of the rebuilding or replacement is to improve vessel safety and operational efficiencies, including fuel efficiency. With the ability to replace AFA catcher/processors without restrictions on vessel size or horsepower, the AFA catcher/processor fleet can take advantage of new hull designs and improved technology to increase the operational efficiency of the vessel. Examples of improved technology include hybrid diesel electric engines, which increase fuel efficiency and available power; energy efficient processing equipment; improved technology in freezing; and for smaller existing AFA catcher/processors, vessel expansion to allow for the installation of a fish meal plant.

Given the current level of efficiency of most AFA catcher/processors and the high cost of replacing these vessels, most owners of large AFA catcher/processors would likely not replace their vessels in the immediate future.<sup>8</sup> Owners of smaller and older AFA catcher/processors, lacking a fish meal plant, would potentially be more inclined to replace or rebuild their vessels. Lacking the ability to produce fish meal and fish oil leaves these smaller vessels at a competitive disadvantage relative to larger AFA catcher/processors. With a fish meal plant, the vessel owner would generate higher rates of return on their harvest by selling fish meal and fish oil. Fish oil can also be utilized as fuel in hybrid diesel electric engines, thereby reducing variable costs associated with purchasing petroleum-based fuel.

The original AFA prohibits AFA catcher/processors from harvesting any fish in the Gulf of Alaska,<sup>9</sup> and strictly limits processing in the Gulf of Alaska.<sup>10</sup> As for BSAI fisheries, AFA catcher/processors are prohibited

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<sup>8</sup> The cost of replacing an AFA catcher/processor will likely exceed \$100 million (C. Cross, personal communication on 8/29/2012).

<sup>9</sup> AFA, section 211(b)(4)(A).

<sup>10</sup> Under the AFA, section 211(b)(4)(B) and (C), AFA catcher/processors are prohibited from the following processing activities: processing any pollock in GOA, except pollock that is bycatch in non-pollock groundfish fisheries; processing any groundfish harvested in area 630, which is part of the Central Gulf regulatory area; processing more than 10 percent of Pacific cod harvested in other areas of GOA (area 610 – Western GOA; area 620 – Central Gulf; area 640 and 650 – Eastern GOA).

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from harvesting any crab caught in BSAI.<sup>11</sup> As for BSAI groundfish fisheries, the adverse effects on other BSAI fisheries from liberalizing vessel replacement for AFA catcher/processors are strictly limited. Most other available target fisheries for this fleet are already constrained by sector allocations and sideboards. Other than pollock and Pacific cod, the remaining groundfish fisheries in the BSAI are restricted by sideboard limits and with the exception of yellowfin sole and Atka mackerel, are closed to directed fishing because the sideboard allowance is insufficient to support a directed fishery. Pollock and Pacific cod are apportioned via sector allocations, which are strictly monitored and enforced.

One AFA catcher/processor is eligible to fish in the GOA and is also named on an LLP license. This vessel's LLP license has a Western GOA area endorsement. Under Alternative 2, this vessel would be limited to the MLOA on the GOA-endorsed LLP license that is assigned to this vessel on the date of fishing or processing by the vessel. NMFS would not prevent the owner of this vessel from obtaining a GOA-endorsed LLP license with a higher MLOA and from naming this vessel on that LLP license, if the vessel owner could obtain a GOA groundfish LLP license with a higher MLOA. Whether the owner of this catcher/processor will replace or rebuild this vessel is not known, but there is a potential that a replacement or rebuilt vessel will have greater harvesting and processing capacity.

Although the vessel is exempt from AFA sideboards in the GOA, the vessel is restricted by Amendment 80 sideboard limits and Central GOA Rockfish Program sideboard limits (see Table 1-35, Table 1-36, and Table 1-37 for 2012 sideboard limits). As seen from these sideboard limits, this AFA catcher/processor is severely restricted in the GOA pollock fishery and shallow-water targets, which include shallow-water flatfish, flathead sole, pollock, and Pacific cod. Sideboard limits that would allow increased harvest include Western GOA Pacific ocean perch, pelagic shelf rockfish, northern rockfish, and deep-water targets, which include sablefish, deep-water flatfish, rex sole, rockfish, and arrowtooth flounder. As seen in Table 1-40 and Table 1-41, activity by non-AFA vessels is primarily limited to the shallow-water target, which reduces the potential for negative impacts to non-AFA vessels if the owner of the GOA eligible AFA catcher/processor replaces or rebuilds the vessel.

### **Catcher Vessels**

The AFA in section 208 identified three categories of eligible catcher vessels: [1] catcher vessels eligible to deliver to AFA catcher/processors; [2] catcher vessels eligible to deliver to AFA motherships; and [3] catcher vessels eligible to deliver to AFA inshore processors.

By the terms of section 208, a catcher vessel that was eligible to deliver pollock to motherships could apply for an inshore endorsement. Thus, it is possible for a vessel to be “dual qualified” in the inshore sector and mothership sector. But it is not possible for a catcher vessel to be qualified to deliver to the catcher/processor sector and any other sector.

In 2001, the first full year of implementation of the AFA, NMFS issued catcher vessel permits to a total of 112 catcher vessels in the following categories: 7 catcher vessels had permits with a catcher/processor endorsement only; 6 catcher vessels had permits with a mothership endorsement only; 85 catcher vessels had AFA permits with an inshore endorsement only; 14 catcher vessels had permits with an inshore endorsement and a mothership endorsement.<sup>12</sup>

Thus, initially, 99 catcher vessels had AFA catcher vessel permits with an inshore endorsement. Of those 99 catcher vessels, 14 vessels were “dual qualified” with endorsements for the inshore and mothership sectors. Of the 99 catcher vessels, 10 catcher vessels received a permit with an exemption from BSAI Pacific cod sideboard limits; 16 catcher vessels received a permit with an exemption from Gulf of Alaska (GOA) groundfish sideboard limits.

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<sup>11</sup> AFA, section 211(b)(3)(B).

<sup>12</sup> The NMFS Alaska Region website shows AFA permits issued by year, by vessel, and by sector endorsement. AFA-permitted vessels in 2001: <https://alaskafisheries.noaa.gov/ram/afa.htm>.

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By 2010, the number of catcher vessels with AFA permits decreased from 112 to 110. This decrease resulted from the replacement of AFA catcher vessels under the original AFA. From 2001 through 2010, two AFA catcher vessels were replaced. But each vessel was replaced with a vessel that already had an AFA catcher vessel permit, which resulted in a net decrease of two in the number of AFA permits and AFA-permitted catcher vessels. After the adoption of the AFA amendments on October 15, 2010, NMFS has allowed the replacement and removal of AFA vessels according to the terms of the AFA amendments. This has resulted in a further decrease of the number of AFA catcher vessels; 105 catcher vessels held AFA permits in 2013.<sup>13</sup>

This Analysis was prepared using full data on landings and processing from 2011. In 2011, 109 catcher vessels had AFA permits. Of those 109 catcher vessels, 92 vessels were active, meaning that in 2011, 92 catcher vessels made at least one landing. Of the 92 active catcher vessels in 2011, 15 were exempt from GOA sideboard limits and 9 were exempt from BSAI Pacific cod sideboard limits (see Table 1-6).<sup>14</sup> Thirty AFA catcher vessels are named on Central GOA-endorsed LLP licenses and 20 AFA catcher vessels are named on Western GOA-endorsed LLP licenses. Nearly all of the sideboard-exempt vessels are less than 100 feet in length, and a large portion of the vessels with GOA-endorsed LLP licenses are also less than 100 feet in length. The primary fishing effort of the active AFA catcher vessels is in the BS pollock fishery. In 2011, 92 catcher vessels harvested 626,703 mt of BS pollock. Besides BS pollock, AFA catcher vessels also participated in the BSAI Pacific cod and GOA groundfish fisheries. In the Central GOA groundfish fisheries, 30 AFA catcher vessels participated in 2011. Of those 30 AFA catcher vessels, 15 were restricted by GOA sideboards and 15 were exempt from GOA sideboards. In 2011, only two AFA vessels participated in the Western GOA groundfish fisheries.

Under the status quo alternative, an owner of an AFA catcher vessel may replace or rebuild the vessel to improve safety or operational efficiencies, including fuel efficiency. Under the status quo alternative, replacement or rebuilt AFA catcher vessels could use new molded hull designs that are more fuel efficient than old chine hulls. These new hull designs allow vessels to travel faster and with less wave resistance in rough seas. Advances in propulsion systems when paired with improved hull forms, can result in fuel efficiency gains of up to 25 percent or more per pound of fish products delivered (Hockema, 2012).

Under the status quo alternative, to participate in the groundfish fishery in GOA with a replacement or rebuilt AFA vessel, a vessel owner must hold an LLP groundfish license which is assigned to the replacement or rebuilt AFA vessel and which authorizes the participation desired by the owner.<sup>15</sup> First, the LLP groundfish license must have an area endorsement that authorizes fishing in the area where the replacement or rebuilt vessel will be fishing. A GOA LLP groundfish license can have up to three area endorsements: a Western Gulf area endorsement, a Central Gulf area endorsement, and a Southeast outside area endorsement. For example, to conduct directed fishing for groundfish in the Western Gulf, a vessel must have an LLP groundfish license with an area endorsement for the Western Gulf. Second, the LLP groundfish license must have an MLOA that equals or exceeds the length of the replacement or rebuilt vessel.

The limitation on vessel length for participation in the groundfish fishery in the GOA could limit the gains in operational efficiency for AFA catcher vessels. When deciding whether to rebuild or replace their AFA catcher vessels, owners would likely take into consideration the costs and benefits of participating in both the BSAI and GOA groundfish fisheries while including the potential reduction in efficiency gains from a limitation in vessel length. In general, AFA vessels with extensive GOA groundfish history could be deterred from building beyond the MLOA on the LLP license that currently names that vessel or on an LLP license that they could

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<sup>13</sup> The number of catcher vessels with AFA permits by year is as follows: 2001 – 2003, 112 catcher vessels; 2004 – 2009, 111 catcher vessels; 2010 – 110 catcher vessels; 2011 – 109 catcher vessels; 2012 – 108 catcher vessels; 2013 – 105 catcher vessels. AFA-permitted vessels from 2001 - 2013: <https://alaskafisheries.noaa.gov/ram/afa.htm>.

<sup>14</sup> Since 16 AFA catcher vessel permits have an exemption from GOA sideboard limits and 10 AFA catcher vessel permits have an exemption from BSAI Pacific cod sideboard limits, one AFA catcher vessel with a GOA exemption and one AFA catcher vessel with a BSAI Pcod exemption were not active (did not make a landing) in 2011.

<sup>15</sup> Pursuant to 50 CFR § 679.4(k), an LLP license is necessary to conduct directed fishing for license limitation groundfish, not groundfish. The differences between license limitation groundfish and groundfish, as defined in 50 C.F.R. § 679.2 are minor, and do not have any consequence for this Analysis. The Analysis uses the term groundfish rather than license limitation groundfish.

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reasonably expect to obtain by transfer. AFA vessels with little or no GOA groundfish history would likely discount the potential benefits of future GOA groundfish activity relative to the potential benefits gained from a more efficient operation in the BSAI from using a larger vessel. It is also possible that the improved operating efficiency resulting from vessel replacement may alter the economics, such that operating in both the BS and GOA becomes viable.

Under the status quo alternative, the owner of an AFA inshore-eligible catcher vessel may remove the vessel and direct NMFS to assign the directed pollock allowance of the removed vessel to other vessels or vessels in the AFA fishery cooperative to which the removed vessel belonged. The ability to remove inshore-eligible AFA catcher vessels would likely improve operational efficiency of the fleet by eliminating unnecessary storage of inactive, obsolete vessels. With the introduction of cooperative fishing beginning in 1999, some owners of inefficient inshore-eligible AFA catcher vessels have leased the vessel's pollock quota to more efficient inshore-eligible AFA catcher vessels. Since the AFA, as originally adopted, prevented owners from permanently transferring pollock quota, the owners of these inefficient inshore-eligible AFA catcher vessels either placed them into storage or used them in other maritime activities.

However, the AFA amendments in the Coast Guard Act allow vessel owners of inshore-eligible AFA catcher vessels to permanently retire inshore-eligible AFA catcher vessels by transferring the vessel's pollock quota to other AFA catcher vessels in the inshore cooperative. This approach allows the owners of inshore-eligible AFA catcher vessels to take advantage of the efficiency gains from stacking pollock quota from removed vessels on more efficient AFA catcher vessels. In addition, the ability to replace or rebuild vessels without limitations (except GOA vessels) may complement the efficiency gains from removing vessels by allowing the larger replacement vessels to be designed to accommodate the additional pollock quota.

Given that AFA catcher vessel owners with an LLP groundfish license can now replace or rebuild their vessels while still maintaining their ability to fish in the GOA, there is the potential these replacement or rebuilt vessels could impact other GOA groundfish participants, particularly trawlers. However, current sideboards, stand-downs, exclusive fishing seasons, and pollock trip limits in the GOA strictly limit those impacts. A number of non-AFA trawl vessels are active in the pollock, Pacific cod, flatfish, and rockfish fisheries in the Central GOA and slightly fewer vessels in the Western GOA. GOA sideboards in the AFA limit the impact of AFA vessels on other GOA groundfish participants, but there is still the potential for replaced or rebuilt sideboarded AFA catcher vessels to impact non-AFA trawl vessels.

Due to limited activity by AFA catcher vessels in AFA sideboarded fisheries in the GOA groundfish fisheries, the non-AFA trawlers have increased their dependency on these GOA groundfish fisheries. For most GOA groundfish fisheries, the increased dependency by the non-AFA vessels is not an issue. However, for the Central and Western GOA pollock fisheries, the increased dependency combined with the potential for AFA replacement and rebuilt vessels to increase fishing effort in these fisheries could create a race for fish in the future. Reducing the potential to incur these impacts are the existing regulations requiring stand-downs, exclusive fishing seasons, and GOA pollock trip limits. With the exception of Pacific cod, replacement and rebuilt AFA vessels in other groundfish fisheries are not likely to create negative impacts on non-AFA vessels. Sideboard limits for these fisheries are significantly smaller than the TACs, and the level of catch by non-AFA vessels in these fisheries, relative to the TACs, is significantly smaller. For Pacific cod, the sector allocations, implemented in 2012, reduced the available TAC for the trawl CV sectors, while maintaining the existing AFA non-exempt sideboard limits. As a result, the sideboard limit in both Central and Western GOA make up a larger proportion of the available Pacific cod TAC for the trawl CV sectors, which could increase the potential for negative impacts to AFA exempt vessels and non-AFA vessels, if the sideboard limits are fully utilized and other trawl CV sectors continue their harvesting trend for Pacific cod.

### **Vessel removal provision in Alternative 2 (status quo)**

The Coast Guard Act added to the AFA a provision entitled, "Fishery Cooperative Exit Provisions."<sup>16</sup> The AFA, as amended, allows the owner of a catcher vessel that is a member of an AFA inshore cooperative to

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<sup>16</sup> Section 602 (b)(3) of the Coast Guard Act *adding* AFA section 210(b)(7).

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remove the vessel from the Bering Sea directed pollock fishery.. The AFA, as amended, expressly allows the vessel owner to direct NMFS to reassign the exiting vessel's directed fishing allowance for pollock among one or more other designated catcher vessels in the removed vessel's cooperative, provided that the vessel or vessels receiving the pollock allowance remain in the fishery cooperative for at least one year after the exiting vessel is removed.

The AFA, as amended, does not make any reference to the vessel owner assigning the exemption from sideboard limitations to other vessels. Therefore, under the status quo alternative, when the owner of an AFA vessel removes a catcher vessel from the AFA fisheries that was exempt from any sideboard limitation, the owner may not assign the exemption from sideboard limitations to other catcher vessels.

Further, the AFA, as amended, expressly states that removing a vessel from the AFA fisheries extinguishes "any claim (including relating to catch history) associated with such vessel."<sup>17</sup> A sideboard-exemption is a claim to be able to harvest fish and it is a claim associated with the removed vessel. NMFS interprets "any claim" in the AFA amendments to include a claim to exemptions from sideboard limitations that were held by the removed vessel. Thus, when a vessel owner removes a vessel under the Fishery Cooperative Exit Provisions in the AFA, as amended, NMFS concludes that the AFA requires the extinguishment of any sideboard exemptions associated with the removed vessel.

NMFS acknowledges that after a vessel is removed, the removed vessel may reenter the AFA fishery as a replacement vessel for another AFA vessel. But NMFS does not believe that the reentry of a removed vessel revives the sideboard-exemption of a removed vessel. NMFS concludes that the AFA, as amended, requires the permanent extinguishment of the sideboard-exemption of a removed vessel. Therefore under Alternative 2, if the owner of an AFA catcher vessel removes a vessel from an AFA fishery cooperative, and that vessel was exempt from any AFA sideboard limits, the removal of the vessel permanently extinguishes any exemption from sideboard limitations that the removed vessel had.

Under Alternative 2, a removed vessel is permanently ineligible for a fishery endorsement, unless the removed vessel reenters the AFA fishery as a replacement vessel or the removed vessel is one of four catcher vessels named in the AFA amendments.<sup>18</sup> If any of those four vessels is removed, they may still obtain the fishery endorsements and permits necessary to participate in any fishery under the authority of the New England Fishery Management Council or the Mid-Atlantic Fishery Management Council.

## **Options for Non-Exempt AFA Catcher Vessels<sup>19</sup>**

### **Option 2.1:**

Option 2.1 would **prohibit a replacement or rebuilt non-exempt AFA catcher vessel that exceeds the most restrictive MLOA on a GOA LLP license assigned to the vessel at the time of replacement or rebuilding from participating in the GOA groundfish fisheries.** Vessels that do not have a GOA- endorsed license at the time of the replacement or rebuilding would not be permitted to fish in the GOA groundfish fisheries. This option would allow an owner of a AFA non-exempt catcher vessel to assign a GOA- endorsed LLP groundfish license to a vessel up to the date that the owner of the vessel applies to NMFS for replacement or rebuilding, provided that the MLOA on the LLP groundfish license is at least as large as the length of the rebuilt or replacement vessel. The vessel owner could not obtain an LLP license with a greater MLOA after the date of the application for replacement or rebuilding.

In assessing this option, the Council considered an aspect of the provision that could be inequitable to some vessel owners, particularly those with current activity in the GOA fisheries. A vessel that has historically

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<sup>17</sup> Section 602 (b)(3) of the Coast Guard Act *adding* AFA section 210(b)(7).

<sup>18</sup> Section 602 (b)(3) of the Coast Guard Act *adding* AFA section 210(b)(7)(C). The four vessels are the AJ (US official number 905625), DONA MARTITA (US official number 651751), NORDIC EXPLORER (US official number 678234) and PROVIDIAN (US official number 1062183).

<sup>19</sup> Non-exempt AFA catcher vessels are vessels that are not exempt from sideboard limitations, which means these are vessels that are subject to sideboard limitations.

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fished with a license endorsed for both the GOA and BS might later acquire a larger second GOA license to assign to the vessel to allow for replacement or rebuilding to a length greater than its BS/GOA license MLOA. This vessel would be precluded from fishing in the GOA under this option, despite its second GOA license, because it is limited by the most restrictive MLOA of the GOA licenses. Compare this to a vessel that is replaced or rebuilt that has a BS only license with the same MLOA as the other vessel's original license. This vessel could acquire the same larger MLOA GOA license prior to replacement or rebuilding and would be allowed to fish in the GOA fisheries, because it did not have a GOA endorsement on its original BS license. A cleaner option would allow a vessel to participate in any GOA management area (CGOA or WGOA) provided the replacement or rebuilt vessel does not exceed the MLOA on the least restrictive license for that area at the time of replacement or rebuilding. This provision would allow the vessel to continue any GOA fishing provided they meet the requirements of their LLPs for the respective areas at the time of vessel replacement or rebuilding. Any other option would create an environment in which vessels have an incentive to move licenses on and off vessels prior to replacement or rebuilding to maximize fishing opportunities in the GOA fisheries.

This option could reduce efficiency gains slightly from Alternative 2 by limiting replacement and rebuilt AFA non-exempt catcher vessels to the most restrictive MLOA of the GOA-endorsed LLP licenses, at the time of replacement. In 2011, there were 92 AFA non-exempt catcher vessels active, 30 of which had a LLP license endorsed for the Central GOA and 20 vessels endorsed for the Western GOA (Table 1-52). The largest group of AFA non-exempt catcher vessels range between 90 feet through 124 feet. The ability to use an AFA non-exempt catcher vessel greater than 124 feet in the GOA is curtailed to a large degree by the limited number of LLP licenses endorsed for the GOA with a MLOA greater than 124 feet. As noted in Table 1-51, nearly all trawl LLP licenses with GOA endorsements are less than 125 feet. In total, 64 active AFA non-exempt catcher vessels are less than 125 feet in length, while there are 96 LLP licenses with Central GOA endorsements and 78 LLP licenses with Western GOA endorsements that have MLOAs less than 125 feet. Given the number of LLP licenses with Central GOA and Western GOA endorsements, there appears to be opportunity for greater gains in efficiency for the 64 AFA non-exempt catcher vessels, but relative to Alternative 2, that opportunity appears smaller under this option due to the slightly more restrictive GOA LLP requirement.

Potential implications to GOA groundfish fisheries exist when an AFA catcher vessel owner wants to build a replacement or rebuilt vessel that is longer than vessel's MLOA. Under this option, the vessel owner could purchase a GOA-endorsed LLP license with a MLOA that can accommodate the new vessel length at the time of replacement or rebuilding. Although it is not possible to determine if any AFA catcher vessel owners will purchase a GOA-endorsed LLP license with a MLOA that can accommodate larger replacement or rebuilt vessel, the number of LLP licenses with Central GOA endorsement and Western GOA endorsement indicated that this is a distinct possibility.

The more likely effect, however, arises from the entry of AFA vessels that have not increased in size, but instead are freed up by other AFA vessels increasing their harvest capacity in the BS. For example, if a few vessels in a cooperative are replaced by vessels with substantially greater harvest capacity, it is possible that other vessels in that cooperative that have not been replaced or rebuilt may enter the GOA fisheries with either their own GOA-endorsed license or possibly with a transferred license from either another AFA vessel or a non-AFA vessel. The effects of this type of entry will be limited by GOA sideboards, natural constraints on efficiency gains that might deter this practice, and by the availability of licenses needed to qualify the various vessels for the BS and GOA fisheries.

To help protect exempt and non-AFA vessels, the Council developed sideboards to prevent AFA non-exempt vessels from increasing their catch in other fisheries. Other factors that could limit the impacts to these vessels are stand-downs, exclusive fishing seasons, and GOA pollock trip limits. The degree to which these factors limit the impact of non-exempt vessels is unknown.

Although GOA groundfish sideboards were designed to limit the impacts of AFA non-exempt vessels on other GOA groundfish participants, there is a potential for replaced or rebuilt AFA non-exempt catcher vessels to impact exempt and non-AFA vessels in the GOA. The most likely GOA fishery impacted by this option is the GOA pollock. Although a sideboard limit is not a specific allocation, if the AFA non-exempt vessels doubled their sideboard harvest in the Central GOA pollock fishery, both AFA exempt vessels and non-AFA trawl



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vessels would see a reduced pollock harvest. In the Western GOA pollock, a fully harvested sideboard limit (60% of the TAC) would reduce pollock harvest significantly for non-AFA trawl vessels. With the exception of Pacific cod, the sideboard limits for other groundfish fisheries are significantly less than the TACs, so there is little chance of negative impacts to AFA exempt vessels and non-AFA trawl vessels. For Pacific cod, the recent implementation of sector allocations in the GOA has increased the potential for non-exempt vessels to impact exempt and non-AFA vessels, if sideboard limits are fully utilized and other trawl CV sectors continue their harvesting trend in the Pacific cod fishery.

### **Option 2.2:**

Under Option 2.2, a **replacement or rebuilt AFA non-exempt catcher vessel is prohibited from operating in the GOA if the vessel's LOA exceeds the most restrictive MLOA specified on any GOA LLP license assigned to the AFA vessel at the time the Coast Guard Act was approved (October 15, 2010)**. LLP licenses endorsed only for the BS are not considered in determining the constraining MLOA. By applying the license requirement on October 15, 2010, it is assumed this option defines vessels that are and are not eligible to continue fishing in the GOA, if those vessels are replaced or rebuilt. **Based on this assumption, replacement or rebuilt AFA non-exempt catcher vessels not specified on a GOA-endorsed LLP license at the time the Coast Guard Act was approved are prohibited from participating in the GOA.** Vessels that are not replaced or rebuilt are free to enter the GOA fisheries, provided they carry the requisite LLP license and endorsements.

On October 15, 2010, there were a total of 20 AFA non-exempt catcher vessels that were active in the GOA groundfish fisheries (Table 1-53 and Table 1-56). Of the 20 AFA non-exempt catcher vessels with GOA-endorsed LLP licenses, 12 vessels are within 10 feet of their MLOA, 5 vessels are within 10 feet and 20 feet of their MLOA, and 4 vessels are within 20 feet and 50 feet of their MLOA. Fifteen of the AFA non-exempt catcher vessels have a Central GOA endorsement and 9 vessels have Western GOA endorsement.

This option potentially reduces production efficiency gains slightly from Alternative 2 and the other options. Similar to Alternative 2 and other options, owners of AFA non-exempt catcher vessels may replace or rebuild their vessels in order to improve production efficiency. However, this option limits participation in the GOA for rebuilt or replacement AFA non-exempt vessels. As of October 15, 2010, there were 20 AFA non-exempt catcher vessels with GOA-endorsed LLP groundfish licenses. As a result, these 20 vessels are the only vessels that may be rebuilt or replaced and still continue to participate in the GOA. In addition, to preserve their ability to participate in the GOA groundfish fishery, these 20 AFA non-exempt catcher vessels can only be replaced by a vessel that does not exceed the shortest MLOA on any GOA LLP license assigned to the vessel on October 15, 2010. And to preserve their ability to participate in the GOA groundfish fishery, these 20 AFA non-exempt catcher vessels can only be rebuilt up to the shortest MLOA of any GOA LLP license assigned to the vessel on October 15, 2010.

Option 2.2 is likely to result in less chance of economic spillover to non-AFA GOA groundfish participants than Alternative 2 or other AFA non-exempt catcher vessel options. This alternative specifies 20 specific GOA eligible AFA non-exempt catcher vessels that can be replaced or rebuilt and participate in the GOA. Nevertheless, there is some potential for impacts. The value of the foregone GOA sideboard fisheries could provide an incentive for some of the owners of the 20 AFA non-exempt catcher vessels that are able to rebuild or replace with larger vessels to consolidate BS pollock quota on other AFA vessels so as to increase their fishing effort in the GOA. GOA fisheries most likely to be impacted from increasing fishing effort by these 20 AFA non-exempt catcher vessels would be Central and Western GOA pollock. With the exemption of Pacific cod, other groundfish fisheries are not likely impacted by this option since the GOA sideboard limits are significantly lower than the TACs, and catch by AFA exempt and non-AFA vessels are modest. For Pacific cod, the recent implementation of sector allocations has increased the potential for impacts to exempt vessels and non-AFA vessels, if sideboard limits are fully utilized and the other trawl CV sectors continue their harvesting trend in the Pacific cod fishery.

In considering the effects of this option, it should be noted that any vessel that is not replaced or rebuilt could still enter the GOA fishery, provided the vessel carries an LLP license that qualifies it for the fishery. As a

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result, AFA vessels replaced or rebuilt could still impact AFA exempt and non-AFA vessels in the GOA fisheries by participants entering with licenses from current participants who choose to exit after replacement or rebuilding. If AFA participants choose to take advantage of these opportunities to enter vessels that have not been rebuilt or replaced, the differences between this option and the other options for non-exempt vessels are limited.

### **Option 2.3:**

Option 2.3, in contrast to the previous two options and Alternative 2, takes a different approach to limiting AFA replacement or rebuilt vessels operating in the GOA. Unlike Alternative 2 and Options 2.1 and 2.2, which are based on the MLOA of the LLP, this option is a vessel replacement limitation based on the registered length, tons, and horsepower of the non-exempt AFA catcher vessel as it existed on the date of enactment of the Coast Guard Act, namely October 15, 2010. Under this option, **a replacement or rebuilt AFA vessel cannot exceed by more than 10 percent the original registered length (LOA), gross registered tons, or shaft horsepower of the replaced AFA catcher vessel active on October 15, 2010.** The replacement or rebuilt vessel would still require a LLP license with the appropriate GOA endorsement and MLOA.

On October 15, 2010, there were a total of 77 non-exempt AFA catcher vessels that had LLP licenses with BSAI or GOA endorsements that were active in the BSAI and GOA groundfish fisheries. Table 1-56 shows the vessel length (feet), gross tons, and horsepower of these AFA catcher vessels that were active in 2010 as well as the maximum vessel length, gross tons and horsepower based on an increase of 10%.

The restriction to not exceed 10 percent of the original vessel's registered length, gross registered tons, and shaft horsepower will limit the scope of efficiency gains for replaced or rebuilt non-exempt AFA catcher vessels active in the GOA groundfish fisheries. Restricting a replacement or rebuilt AFA non-exempt catcher vessel by its lengths, tons, and horsepower limits could limit the available choices on hull designs and propulsion systems thereby potentially reducing operational efficiency of replacement or rebuilt vessels. Relative to Alternative 2 and Option 2.1, the overall production efficiency gains under this option are likely less. However, relative to Option 2.2, the gains in production efficiency on the whole from Option 2.3 are likely higher since this option does permit any rebuilt and replacement AFA non-exempt catcher vessel to participate in the GOA as long as the vessel is named on a GOA-endorsed LLP license with a permissible MLOA.

Since this option restricts the length, gross tons, and horsepower of rebuilt or replacement AFA vessels that participate in the GOA groundfish fishery compared to Alternative 2 and Option 2.1, it is likely to have less economic spillover in GOA groundfish fisheries. However, this option, relative to Option 2.2, is likely to have a greater potential for economic spillover in the GOA groundfish fisheries since this option would permit any rebuilt or replacement AFA non-exempt catcher vessel with a GOA-endorsed LLP license and the appropriate MLOA to participate in the GOA groundfish fisheries. Option 2.2 limits participation in the GOA groundfish fisheries for rebuilt or replacement AFA non-exempt vessels to those 20 vessels with GOA-endorsed LLP licenses on October 15, 2010.

### **Option for Sideboard-exempt Vessels**

#### **Option 2.4:**

This option applies specifically to AFA catcher vessels that are exempt from sideboard limits in GOA. Under Option 2.4, an AFA sideboard-exempt catcher vessel may not exceed its MLOA of the GOA LLP license assigned to the vessel on the date the Coast Guard Act was approved (i.e., October 15, 2010) and continue to participate in the GOA fisheries. Although this option allows an AFA sideboard-exempt catcher vessel participating in the GOA groundfish fisheries to be replaced or rebuilt and continues to participate in the GOA fisheries, it is more restrictive than Alternative 2, which only requires a GOA-endorsed LLP license with an MLOA that does not exceed the length of the replacement or rebuilt vessel. In any case, vessel owners subject to this provision would be permitted to replace or rebuild the vessel beyond the MLOA of the GOA LLP

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license assigned to the vessel on October 15, 2010, but would then be prohibited from participating in GOA fisheries.

As noted in Table 1-39, there were 15 active AFA catcher vessels that are exempt from the GOA groundfish sideboards. Of the 15 active AFA exempt vessels, 3 are within 10 feet of the MLOA on their GOA-endorsed LLP license, so these 3 vessels could only increase their vessel length by at most 10 feet and maintain their ability to fish in the GOA. Of the remaining sideboard-exempt AFA catcher vessels, 10 are between 10 feet and 20 feet shorter than the MLOAs on their GOA-endorsed LLP license, and 2 are between 20 feet and 50 feet shorter than their GOA-endorsed LLP license. Each of the 15 exempt vessels has a Central GOA endorsement and 11 have Western GOA endorsements. Despite the flexibility provided by the MLOAs of the LLP licenses assigned to the AFA sideboard-exempt vessels, these vessels will be constrained by this option from increasing in length beyond the MLOA.

In general, this option provides the owners of AFA sideboard-exempt catcher vessels the ability to replace or rebuild their vessels, which could provide improved production efficiency relative to the current regulations.

However, this option would limit the potential for greater efficiency gains, relative to Alternative 2, since the option prohibits replacement or rebuilt AFA sideboard-exempt catcher vessels from participating in the GOA if the vessel length exceeds the MLOA of the LLP license. In general, given the importance of the GOA groundfish fisheries for these AFA sideboard-exempt catcher vessels (Table 1-20 and Table 1-21), these vessels are likely not to replace or rebuild their vessels beyond the MLOA so they can continue to participate in the GOA groundfish fisheries.

The effect of this option, relative to Alternative 2, is not anticipated to have a substantial effect on non-AFA trawl vessels in the GOA groundfish fisheries since the proposed option prohibits replacement or rebuilt vessels that exceed the reported MLOA of the GOA LLP license assigned to the vessel from participating in these fisheries. Some efficiency gains from replaced or rebuilt vessels could allow these vessels to be more competitive in the GOA fisheries, but non-AFA vessels in those fisheries can maintain their competitiveness by similarly replacing or rebuilding their vessels (as is permitted by their LLPs). Owners of these non-AFA vessels, in some cases, may have fewer resources relative to AFA vessels, as the AFA allocations provide some financial security to their holders.

### **Vessel Removal Provision**

At the February 2013 meeting, the Council selected this provision as part of the Preliminary Preferred Alternative. At the April 2013 meeting, the Council selected this provision as part of the Preferred Alternative.

The Coast Guard Act enables an owner of an AFA catcher vessel that delivers to a shoreside processor to remove the vessel from the Bering Sea pollock fishery and assign the vessel's directed pollock fishing allowance to other vessels in the cooperative.<sup>20</sup> The Council reached the same conclusion as NMFS, namely that under the AFA as amended by the Coast Guard Act, the sideboard exemption of a removed vessel should be extinguished upon removal of that vessel from the AFA fishery.<sup>21</sup> The Council believes this is the proper interpretation of the AFA as amended by the Coast Guard Act.

Additionally, if this were not the proper interpretation of the AFA as amended by the Coast Guard Act, the Council has concluded that this result – extinguishment of the sideboard exemption of a removed vessel -- would be a necessary measure to ensure that the implementation of the AFA amendments did not diminish the effectiveness of the Groundfish Fishery Management Plan for the GOA. The Council has authority to

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<sup>20</sup> This provision does not apply to AFA catcher vessels that participate in a mothership cooperative. For AFA catcher vessels that deliver to inshore cooperatives, pollock quota is allocated to the inshore cooperative based on the pollock catch history of the member vessels. For AFA catcher vessels that deliver to AFA motherships, the vessel's pollock catch history is not necessary in determining the pollock allocation to the cooperative.

<sup>21</sup> This is the Fishery Cooperative Exit Provision: Section 602 (b)(3) of the Coast Guard Act *adding* AFA section 210(b)(7).

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recommend such measures under the Coast Guard Act,<sup>22</sup> but did not need to make such a recommendation because NMFS interprets the AFA amendments as requiring this result.

The ability to remove an inshore-eligible AFA catcher vessel would not result in an increase in participation by AFA vessels in other groundfish fisheries. When the owner of an AFA catcher vessel removes a vessel from an inshore AFA cooperative, the owner informs NMFS which vessel or vessels in the AFA cooperative should be assigned the directed pollock allowance of the removed vessel. NMFS will assign the directed pollock allowance of the removed allowance to the other vessel or vessels in the cooperative, as chosen by the owner of the removed vessel.

The removed catcher vessel can be designated to replace another AFA vessel (in which case it would be characterized as a replacement vessel). Otherwise, except for the four named catcher vessels, the removed vessel is permanently ineligible for a fishery endorsement and cannot participate in any fishery within the exclusive economic zone of the U.S., and therefore could not affect other fisheries. The four named catcher vessels may participate in fisheries under the Magnuson-Stevens Act in the New England Region or the Mid-Atlantic Region in conformity with the Fishery Management Plans adopted by the regional councils for those regions.<sup>23</sup>

To comply with these removal provisions, NMFS will need to: 1) receive notice of an inshore catcher vessel's removal; 2) receive notice of the vessel or vessels in the AFA fishery cooperative to which the owner of the removed vessel wishes to assign the directed pollock allowance of the removed vessel; 3) transfer that allowance; and 4) track the recipient vessel to ensure that it remains in the cooperative for a least one year following receipt of the directed pollock fishing allowance.

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<sup>22</sup> Section 602(b)(2) of the Coast Guard Act *amending* AFA section 208(g)(2).

<sup>23</sup> Section 602 (b)(3) of the Coast Guard Act *adding* AFA section 210(b)(7)(C). The four vessels are the AJ (US official number 905625), DONA MARTITA (US official number 651751), NORDIC EXPLORER (US official number 678234) and PROVIDIAN (US official number 1062183).

## **1.0 REGULATORY IMPACT REVIEW**

The purpose of the proposed action is to implement amendments to the American Fisheries Act (AFA) in the Coast Guard Authorization Act of 2010 (Coast Guard Act) that allow for the replacement, rebuilding and removal of AFA vessels and to prevent AFA vessels from increasing fishing effort beyond historical catch levels in the Gulf of Alaska (GOA). Specifically, the Coast Guard Act addresses the replacement and removal of vessels eligible to participate in the Bering Sea pollock fishery under the AFA (see Appendix A for Section 602 of the Coast Guard Act and Appendix B for NMFS's preliminary review of the Act). The Coast Guard Act expressly authorizes the Council to recommend for approval by the Secretary of Commerce, conservation and management measures, including size limits and measures to control fishing capacity to ensure that the Coast Guard Act does not diminish the effectiveness of the fishery management of the Bering Sea (BS) and Aleutian Islands (AI), and the GOA. To that end, the Council developed proposed alternatives to prevent increased capacity in the GOA groundfish fisheries by replacement or rebuilt AFA vessels and to extinguish GOA sideboard exemptions for AFA catcher vessels that are removed from the BS pollock fishery.

This proposed action has no effect individually or cumulatively with respect to environmental consequences on the human environment (as defined in NAO 216-6). The only effects of the action are improved vessel safety, improved production efficiency, and potential economic redistributive arising from vessel replacement of AFA vessels. As such, it is categorically excluded from the need to prepare an Environmental Assessment.

### **1.1 What is a Regulatory Impact Review?**

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

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

EO 12866 further requires that the Office of Management and Budget review proposed regulatory programs that are considered to be "significant." A significant regulatory action is one that is likely to—

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

### **1.2 Statutory Authority for this Action**

NMFS manages the U.S. groundfish fisheries in the portion of its exclusive economic zone within the BSAI according to the Fishery Management Plan (FMP) for Groundfish of the Bering Sea and Aleutian Islands Management Area. This FMP was prepared by the North Pacific Fishery Management Council (Council) under the authority of the Magnuson-Stevens Fishery Conservation and Management Act. Regulations

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governing fishing by U.S. vessels in accordance with the FMP appear at subpart H of 50 CFR part 600 and 50 CFR part 679.

### **1.3 The American Fisheries Act**

The AFA was signed into law during the fall of 1998. The purpose of the AFA was to tighten U.S. ownership standards that had been exploited under the Anti-reflagging Act, and provide the BSAI pollock fleet the opportunity to conduct their fishery in a more rational manner while protecting non-AFA participants in other fisheries. The AFA established the allocation of BSAI pollock quota among sectors. The Community Development Quota (CDQ) Program allocation of the pollock total allowable catch is 10%. Of the remaining pollock quota, 40% is allocated to the catcher/processors, 50% is allocated to the inshore, and 10% is allocated to the motherships.

The offshore sectors are comprised of 3 motherships and 19 catcher vessels eligible to deliver to those motherships; 21 catcher/processors and 7 catcher vessels eligible to fish and deliver a suballocation to those catcher/processors. The inshore sector is made up of a total of 109 catcher vessels and 8 processing plants.<sup>24</sup> The AFA specifies that pollock taken in the inshore sector's directed fishery can only be taken by those qualified vessels and delivered to those qualified processing plants.

The AFA also allowed for the development of pollock industry cooperatives. Nine cooperatives were developed as a result of the AFA: seven inshore cooperatives, one catcher/processor cooperative, and one mothership cooperative. In recent years, one catcher vessel cooperative no longer operates, as all of its member catcher vessels have moved to another cooperative. These two cooperatives are associated with processors owned by the same parent company.

In rationalizing the Bering Sea pollock fishery, the AFA also gave the industry the ability to respond more deliberately and efficiently to market demands than the "race for fish" previously allowed. The AFA also aided the fishery in complying with Steller sea lion conservation measures that, beginning in 1992, created fishery exclusion zones around seal lion rookeries and haulout sites, and implemented gradual reductions in seasonal proportions of the TAC that may be taken in Steller sea lion critical habitat.

#### **1.3.1 Provisions Affecting AFA Vessel Replacement**

Among the many provisions included in the original AFA were two amendments to fishery endorsements provisions that affect vessel replacement. First, section 208(g) contains specific vessel replacement provisions that are applicable to vessels eligible to fish in the directed pollock fishery in the Bering Sea. Section 208 (g) of the AFA provides that the owner of an eligible vessel may replace such vessel in the event of total or constructive loss of that vessel, provided that:

- (1) such loss was caused by an act of God, an act of war, a collision, an act or omission of a party other than the owner or agent of the vessel, or any other event not caused by the willful misconduct of the owner or agent;
- (2) the replacement vessel was built in the United States and, if ever rebuilt, was rebuilt in the United States;
- (3) the fishery endorsement for the replacement vessel is issued within 36 months of the end of the last year in which the eligible vessel harvested or processed pollock in the directed pollock fishery;

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<sup>24</sup> AFA-permitted vessels in 2001: <https://alaskafisheries.noaa.govram/afa.htm>.

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(4) if the eligible vessel is greater than 165 feet in registered length, of more than 750 gross registered tons, or has engines capable of producing more than 3,000 shaft horsepower, the replacement vessel is of the same or lesser registered length, gross registered tons, and shaft horsepower;

(5) if the eligible vessel is less than 165 feet in registered length, of fewer than 750 gross registered tons, and has engines capable of producing maximum output of less than 3,000 shaft horsepower, the replacement vessel is less than each of such thresholds and does not exceed by more than 10 percent the registered length, gross registered tons, or shaft horsepower of the eligible vessel; and

(6) the replacement vessel otherwise qualifies under federal law for a fishery endorsement.

The second provision affecting AFA vessel replacement in the original AFA prohibited vessels exceeding certain length, tonnage, and horsepower limits from entering fisheries<sup>25</sup> and from obtaining a fishery endorsement unless specific conditions are met (see 46 U.S.C. 12102(c)(6) and corresponding regulations at 46 C.F.R. 356.47). Specifically, vessels greater than 165 feet in length<sup>26</sup>, of more than 750 gross registered tons, or with engines capable of producing more than 3,000 shaft horsepower, were prohibited from obtaining a fishery endorsement, unless the vessel carried a fisheries endorsement prior to September 25, 1997 or the regional fishery management 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, since enactment of the AFA. Since the Council has adopted no such measure for the AFA vessels, under the AFA, as originally adopted, any AFA vessel that does not already have a fishery endorsement, and is greater than 165 feet in length or that exceeds 750 tons, or 3,000 horsepower, could not receive a fishery endorsement.

#### **1.4 Section 602 of the Coast Guard Authorization Act of 2010**

On October 15, 2010, the Coast Guard Authorization Act of 2010 (Coast Guard Act) was signed into law. Section 602 of the Coast Guard Act amends the AFA to allow for vessel replacement or rebuilding for the purpose of improving vessel safety and operational efficiencies (including fuel efficiency).<sup>27</sup> Prior to the Coast Guard Act, AFA vessels could only be replaced for actual total loss or a constructive total loss of the vessel. Under the Coast Guard Act, the rebuilt or replacement AFA vessel will be eligible in the same manner as the replaced vessel and subject to the same restrictions as the replaced vessel. Fishing permits and licenses held by the owner of the replaced AFA vessel, which includes exemptions or non-exemptions from AFA sideboards, shall be transferred to the rebuilt vessel or replacement vessel. In addition, the Coast Guard Act prohibits replacement AFA catcher vessels from harvesting fish in any federal fishery outside of the North Pacific, except for the Pacific whiting fishery.

The Coast Guard Act also eliminates the size and horsepower limitations that apply to rebuilt vessel and replacement vessels. In other words, a rebuilt or replacement AFA vessel can exceed the maximum length overall (MLOA) specified on the assigned LLP license. However, to protect non-AFA GOA fishery participants from an influx of new capacity from rebuilt or replaced AFA vessels, the Coast Guard Act prohibits any vessel that is rebuilt or replaced that exceeds the MLOA specified on the license that authorizes fishing for groundfish from participating in the GOA groundfish fisheries. At a minimum, an AFA vessel must still be named on an LLP license with the appropriate endorsements and a sufficiently large MLOA to accommodate the vessel's length overall to participate in the GOA.

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<sup>25</sup> Other than the directed pollock fishery in the Bering Sea, where vessel replacement is regulated by the AFA provision in section 208(g).

<sup>26</sup> Note, for the purposes of this regulation, vessel length is measured at the water level, and does not constrain length overall.

<sup>27</sup> In addition to amending the AFA, section 602 of the Coast Guard Act amended statutory language at 46 U.S.C. § 12113(d)(2), which was recently amended again in section 307 of the Coast Guard and Maritime Transportation Act of 2012 (Public Law No. 112-213). Because this action implements the changes to the AFA made by the Coast Guard Act, the recent changes to the statutory language at 46 U.S.C. § 12133(d)(2) do not affect, or require any adjustments to, the analysis or alternatives and options being considered for this action.

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The Coast Guard Act also limits the use of replaced AFA vessels. The Coast Guard Act stipulates that any AFA vessel that is replaced is prohibited from fishing in any fishery (unless the vessel is used to replace another AFA vessel.)<sup>28</sup> So, once a vessel is replaced (if not used as an AFA replacement vessel), that vessel loses not only its AFA fishing privileges, but also any fishing privileges in other fisheries, including AFA sideboard fisheries. The Coast Guard Act also provides for vessel removal by enabling owners of AFA catcher vessels that participate in inshore cooperatives to remove a vessel from the Bering Sea pollock fishery and assign its direct pollock fishing allowance to one or more vessels in its cooperative. When the catcher vessel is removed from the pollock fishery, its portion of the directed pollock fishing allowance derived from its qualifying pollock catch history would be assigned to the vessel (or vessels) participating in the same fishery cooperative chosen by the owner. Those vessels selected to receive the directed pollock allowance must remain in the cooperative for a least one year after the catcher vessel is removed from the fishery.

Except for four named catcher vessels, once a catcher vessel is removed from the pollock fishery and an AFA inshore cooperative, the Coast Guard Act prohibits the removed vessel from fishing in any federal fishery (unless that vessel is used to replace another AFA vessel).<sup>29</sup> Further, the Coast Guard Act specifies that if an owner removes a vessel from the pollock fishery, this extinguishes any claim, including any claim relating to the catch history of the removed vessel. As a consequence, removing a catcher vessel from an AFA inshore cooperative extinguishes any sideboard exemption that status associated with the AFA fishing privilege of the removed vessel.

If any of the four named catcher vessels are removed from an AFA cooperative, those vessels may still participate in fisheries under the jurisdiction of the New England Fishery Management Council or the Mid-Atlantic Fishery Management Council in a way consistent with the Fishery Management Plans adopted of those councils.<sup>30</sup>

## 1.5 Council Problem Statement

Passage of the Coast Guard Act necessitates updating the BSAI Groundfish Fishery Management Plan and groundfish regulations to bring the Plan and the regulations into compliance with the AFA, as amended by Coast Guard Act. Currently, the language in both the BSAI Groundfish FMP and groundfish regulations is not consistent with the AFA as amended by the Coast Guard Act. To correct this inconsistency, NMFS will adopt regulations to implement the AFA as amended by the Coast Guard Act.

In addition, Section 602 of the Coast Guard Act expressly authorizes the Council to recommend for approval by the Secretary of Commerce measures to control fishing capacity if the Council concludes that such measures are necessary to ensure that the AFA amendments do not to diminish the effectiveness of groundfish management in BSAI or GOA.<sup>31</sup> The Council has analyzed a range of options for determining the eligibility for replacement and rebuilt AFA catcher vessels to operate in GOA and for limiting the potential for increased fishing capacity in GOA by AFA replacement and rebuilt vessels..

The Council at its February 2012 meeting provided the following problem statement:

*Groundfish sideboard protections are included in the AFA to prevent participating AFA vessels from increasing fishing effort beyond historical catch in the GOA. Ambiguities exist pertaining to groundfish sideboards in the AFA vessel replacement provisions of the Coast Guard Authorization Act of 2010 (Coast Guard Act). For vessels with multiple licenses, it is*

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<sup>28</sup> Specifically, the Act states that a vessel that is replaced will no longer be eligible for a fishery endorsement under 46 U.S.C. section 12113, unless the removed vessel replaces another AFA vessel. Section 602(b) of the Coast Guard Act amending section 208(g)(5) of AFA.

<sup>29</sup> Section 602(b)(3) of the Coast Guard Act adding Fishery Cooperative Exit Provisions, section 210(b)(7) of AFA.

<sup>30</sup> Section 602(b)(3) of the Coast Guard Act adding section 210(b)(7)(C) to AFA.

<sup>31</sup> Section 602(b) of the Coast Guard Act amending AFA section 208(g)(2).



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*unclear whether the MLOA on the Bering Sea LLP or the GOA LLP applies to a replacement vessel when fishing in the GOA. Additionally, if an AFA vessel exempt from the GOA sideboards is removed from the fishery and assigns its pollock quota to another vessel, the Coast Guard Act is unclear whether the GOA exemption is transferable in addition to the pollock quota. Action is needed to clarify vessel replacement provisions of the Coast Guard Act and prevent increased capacity in the GOA groundfish fisheries by AFA vessels.*

Below is a summary of the two issues that were included in the February 2012 discussion paper on AFA vessel replacement.

First, the Coast Guard Act contains an AFA amendment entitled “Gulf of Alaska Limitation.”<sup>32</sup> This provision states that the Secretary of Commerce shall prohibit from participation in GOA, an AFA rebuilt or replacement vessel if the vessel “exceeds the maximum length overall specified on the license that authorizes fishing for groundfish pursuant to the license limitation program under part 679 of title 50, Code of Federal Regulations, as in effect on the date of enactment of the Coast Guard Authorization Act of 2010.” The Secretary is required to prohibit AFA rebuilt and replacement vessels from participating in GOA if they exceed the MLOA “specified on the license that authorizes fishing for groundfish.” If a vessel has multiple LLP groundfish licenses, which LLP groundfish license establishes the measuring MLOA for allowing a vessel to participate in the GOA? If a vessel has an LLP groundfish license that authorizes fishing in the BS and an LLP groundfish license that authorizes fishing in the GOA, does the BS LLP groundfish license provide the measuring MLOA for GOA participation or does the GOA LLP groundfish license?

A related issue is the LLP groundfish license on the vessel as of what date: the date of enactment of the Coast Guard Act, the date of rebuilding or replacement by the vessel owner or the date that the vessel owner wishes to fish for groundfish in GOA.

Five AFA vessels had multiple LLP licenses on October 15, 2010, the effective date of the Coast Guard Act. Of these five vessels, only two vessels have GOA endorsements. These two vessels each have only one license that has GOA endorsements; one with a Central GOA endorsement and one with both Central and Western GOA endorsement. Both vessels are between 20 feet and 50 feet shorter than the MLOA for the GOA-endorsed LLP licenses. With respect to their BS-endorsed LLP license, one vessel is within 10 feet of the MLOA of the LLP license, while the other vessel is between 100 feet and 125 feet shorter than the MLOA of that LLP license.

The second issue arises from the removal of an AFA catcher vessel from the AFA fishery that participates in an inshore cooperative. The Coast Guard Act enables an owner of an AFA catcher vessel that delivers to a shoreside processor to remove the vessel from the Bering Sea pollock fishery and assign the vessel’s directed pollock fishing allowance to other vessels in its cooperative, providing the vessel or vessels receiving the pollock allowance remain in the cooperative for at least a year after the removed vessel leaves the AFA fishery. The Coast Guard Act makes no provision allowing the owner to transfer a GOA sideboard exemption.

Exemptions from GOA sideboard limitations were developed for AFA vessels with a significant economic dependence on the GOA groundfish fisheries.<sup>33</sup> The exemption applied to AFA trawl catcher vessels less than 125 feet LOA that landed less than 5,100 metric tons of BSAI pollock during 1995 through 1997, and made at least 40 GOA groundfish landings during the same time period. Since these vessels are exempt from GOA sideboards, the catch history of these vessels is not included in the determination of sideboard limits and their catch does not count towards the sideboard limits. In addition, exempt vessels cannot lease their BS pollock, if they exceed their 1995 through 1997 GOA harvest levels.

The Coast Guard Act explicitly provides for the transfer of a pollock fishing allowance of the removed vessel, but not for a sideboard exemption. Further, the Coast Guard act specifically states that if a catcher vessel

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<sup>32</sup> Section 602 (b)(1) of the Coast Guard Act *amending* AFA section 208(g)(6).

<sup>33</sup> Sixteen AFA catcher vessels qualified for a GOA groundfish sideboard exemption.

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exists an AFA inshore cooperative, “any claim (including relating to catch history) associated with such vessel that would qualify any owner of such vessel for any permit to participate in any fishery within the exclusive economic zone of the United States shall be extinguished.” The Council has concluded that, when a vessel owner removes an inshore cooperative catcher vessel from the AFA fishery, the GOA sideboard exemptions, if any, associated with that vessel should be extinguished.

## 1.6 Description of Alternatives

**Alternative 1 (no action)**: - AFA vessel owners may not rebuild or replace their vessels, except in the case of total or constructive loss - NOT COMPLIANT WITH THE COAST GUARD ACT.

**Alternative 2 (status quo)**: AFA vessel owners are allowed to rebuild or replace their vessels, as provided in the Coast Guard Act. AFA vessel owners may participate in GOA with a replacement or rebuilt vessel as long as the replacement or rebuilt vessel does not exceed the MLOA specified on the GOA LLP groundfish license assigned to the vessel at the time of fishing in the GOA by the vessel. If an owner of an AFA catcher vessel that is a member of an AFA inshore cooperative removes an AFA catcher vessel that is exempt from sideboard limitations from the AFA fishery, the sideboard exemption is extinguished and the exemption cannot be transferred to another vessel. The Council, at the February 2013 meeting, selected Alternative 2 as the Preliminary Preferred Alternative (PPA). The Council, at the April 2013 meeting, selected Alternative 2 as the Preferred Alternative (PA).

### *For AFA non-exempt vessels to fish in the GOA, a replacement/rebuilt vessel*

**Option 2.1**: May not exceed the most restrictive MLOA specified on any GOA LLP assigned to the vessel at the time the vessel owner applies to NMFS for replacement or rebuilding. (The MLOA of any BSAI LLP assigned to the vessel to be replaced does not apply.)

**Option 2.2**: May not exceed the most restrictive MLOA specified on any GOA LLP assigned to the vessel at the time the Coast Guard Act was approved (October 15, 2010). (The MLOA of any BSAI LLP assigned to the vessel to be replaced does not apply.)

**Option 2.3**: Must abide by current 10% limit on increasing the existing length, horsepower, and tonnage, at the time the Coast Guard Act was approved (October 15, 2010).

### *For AFA exempt vessels to fish in the GOA, a replacement/rebuilt vessel*

**Option 2.4**: May not exceed the MLOA specified on the LLP for the vessel to be replaced or rebuilt at the time the Coast Guard Act was approved (October 15, 2010).

### *Vessel removal provisions*

Upon removal of an exempt vessel from the AFA fishery, the sideboard-exemption is extinguished and cannot be transferred to another vessel. The Council included this provision in the Preferred Alternative in April 2013.

Under **Alternative 1 (no action)**, AFA vessel replacement would be based on the original AFA provisions only (prior to the signing of the Coast Guard Act). At that time, an AFA vessel could only be replaced in the event of a total or constructive loss of such vessel, and the replacement vessel was subject to limitations on vessel length, gross tons, and shaft horsepower. Replacement vessels under the no action alternative are also limited by the MLOA of the LLP license that is named on the vessel. In addition, the size of rebuilt or replaced AFA vessel under this alternative is also limited by the “large vessel” restrictions of the AFA. If a replaced AFA vessel is less than 165 feet in registered length and fewer than 750 gross registered tons, and has engines incapable of producing more than 3,000 shaft horsepower, the replacement vessel cannot exceed by more than

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10 percent the registered length, gross registered tons, or shaft horsepower of the original vessel. If the eligible AFA replaced vessel exceeds 165 feet registered length or 750 gross registered tons or produces more than 3,000 shaft horsepower, the replacement vessel must be the same or lesser registered length, gross registered tons, and shaft horsepower. Also vessels greater than these limitations are prohibited from obtaining a fishery endorsement, 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. Since the Council has not adopted such a measure for the AFA vessels under the no action alternative, any AFA vessel that does not already have a fishery endorsement, and is greater than 165 feet in length or that exceeds 750 tons, or 3,000 horsepower, could not receive a fishery endorsement under the no action alternative.<sup>34</sup>

Both the LLP and the AFA restrictions were designed to stabilize capacity in fisheries. The MLOA was originally instituted in 1995, under the Council's groundfish vessel moratorium program. It was an initial step to contain the growth in capacity in the groundfish fisheries<sup>35</sup>, while the Council developed long-term, comprehensive management programs.

This alternative would leave the current AFA and LLP regulations in place. The current regulations do not implement the AFA vessel replacement provisions that are contained in the AFA amendments in the Coast Guard Act.

Under **Alternative 2 (status quo), the Preferred Alternative**, NMFS would adopt regulations implementing the AFA amendments in accord with NMFS's interpretation of the AFA amendments. Thus, Alternative 2 is how NMFS interprets the AFA amendments and how NMFS will implement the Act if the Council does not recommend any of the options in Option 2.1 to Option 2.4. Under Alternative 2, owners of an **AFA catcher/processor, catcher vessel, or mothership** are allowed to **rebuild or replace** their vessel for improved vessel safety and operational efficiencies.

The AFA rebuilt or replacement vessel would be subject to no limitations on length, size, or horsepower while participating in BSAI. The AFA replacement vessel will be eligible to participate in BSAI in the same manner as the replaced vessel and will receive the same licenses and permits that the replaced vessel held. If the replaced vessel was exempt from sideboard limitations in BSAI, the replacement vessel will be exempt. If the replaced vessel was subject to sideboard limitations, the replacement vessel will be subject to the same limitations.

An AFA replacement vessel is, however, subject to a limitation on its participation outside of the North Pacific. An AFA replacement vessel may not harvest fish in any fishery other than a fishery managed under the authority of the North Pacific Fishery Management Council, except for the U.S. west coast Pacific whiting fishery.

The rebuilt vessel will be eligible to participate in BSAI in the same manner as the vessel participated before rebuilding and will retain the same licenses and permits, with the same sideboard provisions, that the vessel held before rebuilding. An AFA rebuilt vessel is also subject to the limitation on participation outside of the North Pacific that applies to an AFA replacement vessel.

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<sup>34</sup> The vessel size restriction contained in the original AFA applies to all U.S. fisheries. The AFA does provide authority, however, to regional fishery management councils, to allow for vessels larger than the stated size limits to operate in fisheries under their authority. Size restrictions appear to have been included in the original AFA as a tool to address overcapacity in fisheries. In Alaska, the Council recommended, and the Secretary adopted, measures that significantly ease the vessel size restrictions for trawl catcher/processors in the Amendment 80 sector and the Council is considering liberalizing the restriction for the BSAI freezer longline sector. *See* 50 CFR 679.4(o)(4)(Amendment 80 replacement vessels may be 295feet).

<sup>35</sup> The Council analysis noted that restricting vessel length is not necessarily a guaranteed way to restrict vessel capacity, but that it was the best regulatory proxy at the time.

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Under Alternative 2, the AFA replacement and rebuilt vessel is still subject to a limitation on participation in the GOA. Under the status quo alternative, an AFA vessel that is rebuilt or replaced may participate in BSAI regardless of whether the vessel length exceeds the MLOA on the vessel's BSAI LLP groundfish license. **To participate in the GOA, however, the owner of an AFA rebuilt or replacement vessel must name that vessel on a GOA-endorsed LLP groundfish license with an MLOA that is equal to or greater than the length of the replacement or rebuilt vessel,** at the time that the owner requests to participate in the GOA groundfish fishery with the rebuilt or replacement vessel. The owner of an AFA rebuilt or replacement vessel still must comply with the MLOA requirements for LLP groundfish licenses in GOA.

Under the status quo alternative, to participate in GOA, an AFA vessel is not limited to the MLOA on the LLP groundfish license on any particular, historical date: not the date of the passage of the AFA amendments, nor the date that the AFA vessel owner applies to NMFS to rebuild or replace, nor the date that the AFA vessel owner finishes rebuilding or procures a replacement vessel. The relevant date is the date when the owner of the AFA rebuilt or replacement vessel seeks to participate in the GOA groundfish fishery.

On that date, the owner of the AFA replacement or rebuilt vessel must hold an LLP groundfish license [1] that is assigned to the replacement or rebuilt vessel, [2] that authorizes fishing in the area in GOA where the vessel owner wishes to fish (Central Gulf, Western Gulf, Southeast Outside) and [3] that has an MLOA that equals or exceeds the length of the rebuilt or replacement vessel. If the owner of an AFA rebuilt or replacement vessel does not have such a license as of the date of rebuilding or replacement, the owner cannot participate in the GOA groundfish fishery with the rebuilt or replacement vessel until the owner obtains such a license.

Under the status quo alternative, the calculation of sideboards that currently apply to catcher vessels and the application of the sideboards to catcher vessels in the aggregate through directed fishery closure would be unaffected. In other words, a replacement vessel is subject to the same sideboards (and eligible for the same sideboard exemptions) as the vessel it is replacing.

The AFA, as amended, eliminates limitations on transferring permits or licenses to an AFA replacement vessel. Thus, under Alternative 2, the limitation on transferring an LLP groundfish license once per year would not apply, if the second transfer is to a replacement vessel. In addition, NMFS will transfer an LLP groundfish license from a replaced vessel to a replacement vessel, at the time of the replacement, regardless of whether the replacement vessel exceeds the MLOA on the LLP groundfish license.

Under Alternative 2, replacement AFA catcher vessels are prohibited from harvesting fish in any federal fishery outside of the North Pacific, except in the case of the Pacific whiting fishery. Replaced vessels – vessels that leave the AFA fishery and are replaced by another vessel -- are prohibited from fishing in any fishery (unless that vessel reenters the AFA fishery as a replacement for another AFA vessel).

This alternative would allow replacement AFA vessels to be eligible to join the same AFA cooperative that the replaced vessel was eligible to join. However, the cooperative the replacement vessel is eligible to join depends on when a vessel is replaced: 1) If the vessel is replaced before the start of the fishing year, it joins the cooperative associated with the processor to whom the original vessel made the majority of its pollock landings in the prior year; 2) If a vessel is replaced during the fishing year, it joins the cooperative of the replaced vessel for the remainder of the fishing year. Then, for the next year, the replacement vessel is eligible to join the cooperative associated with the processor that received the majority of the combined pollock landings of original vessel and replacement vessel in the prior year.

The Coast Guard Act added to the AFA a provision entitled, "Fishery Cooperative Exit Provisions."<sup>36</sup> The AFA, as amended, allows the owner of an inshore catcher vessel to remove its vessel from an AFA fishery. The AFA, as amended, expressly allows the vessel owner to assign the vessel's directed fishing allowance for pollock among other catcher vessels in the AFA cooperative, provided that the vessel or vessels receiving the pollock allowance remain in the fishery cooperative for at least one year after the owner removed the vessel.

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<sup>36</sup> Section 602 (b)(3) of the Coast Guard Act *adding* AFA section 210(b)(7).

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The AFA, as amended, does not make any reference to the vessel owner assigning the sideboard exemptions, a provision that allows harvesting of non-pollock species.

Further, the AFA, as amended, expressly states that removing a vessel from the AFA fishery extinguishes “any claim (including relating to catch history) associated with such vessel.”<sup>37</sup> A sideboard exemption is a claim to be able to harvest fish and it is a claim associated with the removed vessel. NMFS interprets “any claim” in the AFA amendments to include a claim to exemptions from sideboard limitations that were held by the removed vessel. Thus, when a vessel owner removes a vessel from the AFA fishery under the new Fishery Cooperative Exit Provisions in the AFA, NMFS concludes that the AFA now requires the extinguishment of any sideboard exemptions associated with the removed vessel.

NMFS acknowledges that after a vessel is removed from the AFA fishery, the removed vessel may reenter the AFA fishery as a replacement vessel for another AFA vessel. But NMFS does not believe that the reentry of a removed vessel revives the sideboard exemption of a removed vessel. NMFS concludes that the AFA, as amended, requires the permanent extinguishment of the sideboard exemption of a removed vessel. Therefore under Alternative 2, if the owner of an inshore AFA catcher vessel removes a vessel from the AFA fishery, and that vessel was exempt from any AFA sideboard limits, the removal of the vessel extinguishes the AFA exemption permanently.

Under Alternative 2, a removed vessel is permanently ineligible for a fishery endorsement, unless the removed vessel reenters the AFA fishery as a replacement vessel or the removed vessel is one of four vessels specified in the AFA amendments.<sup>38</sup> If any of those four vessels are removed, they may still obtain the fishery endorsements and permits necessary to participate in any fishery under the authority of the New England Fishery Management Council or the Mid-Atlantic Fishery Management Council.

One AFA catcher/processor is currently eligible for the Amendment 80 sector in the Bering Sea. That vessel is not subject to AFA sideboards. That vessel is, however, currently limited to one-half (0.5) of a percent of pollock apportioned for the directed pollock fishery.<sup>39</sup> If that vessel is replaced, the replacement vessel would still be subject to that same limit. In the final rule of Amendment 97, the owner would not be prohibited from replacing that vessel and continuing to also be active in the Amendment 80 and AFA fisheries. This vessel is the sole exception to the regulation that prohibits AFA vessels from being used as Amendment 80 vessels.<sup>40</sup>

Finally, the 2010 Coast Guard Act eliminated the 165 feet length, 750 gross tons, and 3,000 horsepower limitations noted in 46 C.F.R. 356.47 for AFA rebuilt and replacement vessels.<sup>41</sup> As a result, AFA replacement or rebuilt vessels greater than those limitations no longer need Council authorization to participate in fisheries under its authority.

In addition to the no action and status quo alternatives, the Council at the February 2013 meeting adopted for consideration several options concerning AFA vessels participating in the GOA groundfish fisheries. These options, described next, address different alternatives for whether and how replaced or rebuilt AFA vessels may be used in the GOA.

**Option 2.1** would prohibit a replacement or rebuilt non-exempt AFA catcher vessel that exceeds the most restrictive MLOA on a GOA LLP license assigned to the vessel at the time of replacement or rebuilding from participating in the GOA groundfish fisheries. Vessels that do not have a GOA-endorsed license at the time of the replacement or rebuilding would not be permitted to fish in the GOA fisheries. This option would allow an owner of a non-exempt AFA catcher vessel to assign a GOA-endorsed LLP license up to the date of applying

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<sup>37</sup> Section 602 (b)(3) of the Coast Guard Act *adding* AFA section 210(b)(7).

<sup>38</sup> Section 602 (b)(3) of the Coast Guard Act *adding* AFA section 210(b)(7)(C). The four vessels are the AJ (US official number 905625), DONA MARTITA (US official number 651751), NORDIC EXPLORER (US official number 678234) and PROVIDIAN (UN official number 1062183).

<sup>39</sup> Section 208(e)(21) of the AFA.

<sup>40</sup> 50 C.F.R. § 679.4(o)(4)(i)(D).

<sup>41</sup> Section 602(a) of the Coast Guard Act *adding* 46 U.S.C. 12113(d)(2)(C)

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to NMFS for replacement or rebuilding, in order to participate in the GOA groundfish fisheries, provided the MLOA on that license is at least as large as the rebuilt or replacement vessel's length.

Under **Option 2.2**, a **replacement or rebuilt AFA non-exempt catcher vessel is prohibited from operating in the GOA if the vessel's LOA exceeds the most restrictive MLOA specified on any GOA LLP license assigned to the AFA vessel at the time the Coast Guard Act was approved (October 15, 2010)**. LLP licenses endorsed only for the BS are not considered in determining the constraining MLOA. By applying the license requirement on October 15, 2010, it is assumed this option defines vessels that are and are not eligible to continue in the GOA, if those vessels are replaced or rebuilt. **Based on that assumption replacement or rebuilt AFA non-exempt catcher vessels not specified on a GOA-endorsed LLP license at the time the Coast Guard Act was approved are prohibited from participating in the GOA.** Vessels that are not replaced or rebuilt are free to enter the GOA fisheries, provided they carry the requisite LLP license and endorsements.

This option, unlike status quo and Option 2.1, specifies the non-exempt AFA catcher vessels that, as of October 15, 2010, can be replaced or rebuilt and thereafter participate in the GOA groundfish fisheries. In addition, this option specifies constraints on the vessel length for the rebuilt or replacement vessel.

**Option 2.3**, in contrast to the previous two options and status quo alternative, takes a different approach to limiting AFA replacement or rebuilt vessels operating in the GOA. Under this option, a replacement or rebuilt AFA vessel cannot exceed by more than 10 percent the original registered length (LOA), gross registered tons, or shaft horsepower of the replaced AFA catcher vessel, active on October 15, 2010. Unlike the status quo and Options 2.1 and 2.2, which are based on the MLOA of the LLP, this alternative is a vessel replacement limitation based on the registered length, tons, and horsepower of the existing AFA catcher vessel. The replacement or rebuilt vessel would still require a LLP license with the appropriate GOA endorsement and MLOA.

**Option 2.4** applies specifically to GOA sideboard-exempt AFA catcher vessels. Under Option 2.4, an AFA sideboard-exempt catcher vessel may not exceed the MLOA specified on the endorsed LLP licensed named on the exempt vessel as of the date the Coast Guard Act was approved (i.e., October 15, 2010) and continue to participate in the GOA fisheries. Although the option does not specifically state which area endorsed LLP license applies in cases where there are multiple LLP licenses with different area endorsements, it is assumed that the GOA LLP license is the applicable endorsement given that the option is specific to the GOA. Vessels subject to this provision would be permitted to replace or rebuild the vessel beyond the MLOA on the LLP license, but would then be prohibited from participating in GOA fisheries.

Finally, concerning the **vessel removal provision**, the Council has stated that if the owner of a catcher vessel that is exempt from sideboard limitations removes that vessel from the AFA fishery, NMFS will permanently extinguish that sideboard exemption either as an interpretation of the Coast Guard Act or as a conservation and management measure recommended by the Council to insure the effectiveness of the FMPs for BSAI and GOA.<sup>42</sup> Specifically, the Coast Guard Act enables an owner of an AFA catcher vessel that delivers to a shoreside processor to remove the vessel from the Bering Sea pollock fishery and assign the vessel's directed pollock fishing allowance to other vessels in the cooperative, but the Coast Guard Act does not allow the transfer of GOA sideboard exemption to another vessel. The Council action makes clear that that GOA sideboard-exemption status will be extinguished when a sideboard-exempt AFA catcher vessel is removed from the AFA fishery. This provision is included in the status quo alternative.

## 1.7 History of this Action

At the February 2012 meeting, the Council reviewed a discussion paper on AFA vessel replacement and its potential impacts on the GOA groundfish sideboard fisheries. At that meeting, the Council developed a

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<sup>42</sup> Section 602(b) of Coast Guard Act *amending* section 208(g)(2) of AFA.

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purpose and need statement and alternatives intended to prevent increased participation in the GOA groundfish fisheries by vessels replaced under the Coast Guard Act.

In October 2012, the Council reviewed the analysis of the alternatives and options. At that meeting, the Council requested the analysis be further developed based on comments from the Scientific and Statistical Committee.

In February 2013, the Council reviewed the initial analysis of the proposed action. At the meeting, the Council modified Option 2.4, to prohibit GOA exempt AFA vessels that are replaced or rebuilt from exceeding the MLOA specified on the GOA LLP at the time the Coast Guard Act was approved (October 15, 2010). The Council noted that the vessel length recorded on the Federal Fishing Permit is not verified by the Coast Guard, and using the MLOA on the LLP is consistent with other options. The Council also selected Alternative 2 as the Preliminary Preferred Alternative. Alternative 2 included the vessel removal provision, namely that removal of a catcher vessel that had a sideboard-exemption would extinguish the sideboard-exemption. Finally, the Council released the document for public review.

In April 2013, the Council adopted Alternative 2 as the Preferred Alternative. Alternative 2 is the status quo alternative. Alternative 2 is how NMFS interprets the AFA amendments in the Coast Guard Act and will implement the AFA amendments, if the Council does not recommend any different measures.

## **1.8 Description of Management**

All of the Federal fisheries in the North Pacific are managed under limited access. Entry to most of those fisheries is limited by the License Limitation Program (LLP). The LLP became effective on January 1, 2000. The program limits the number, size, and specific operation of vessels fishing groundfish and crab in the BSAI and GOA, based on historical participation. Licenses are endorsed for separate management areas (Bering Sea (BS), Aleutian Islands (AI), Western GOA (WGOA), Central GOA (CGOA), and Southeast Outside), and operation type (catcher vessel (CV) or catcher/processor (CP)). Since 2003, BSAI groundfish LLP licenses have also been endorsed for Pacific cod.<sup>43</sup> Fixed gear vessels  $\geq 60$  feet, participating in the BSAI Pacific cod fishery, must qualify for Pacific cod endorsements, by gear type (longline or pot) and operation type (catcher vessel or catcher/processor).

LLP licenses also specify a maximum length overall (MLOA) for licensed vessels, which constrains the license from being used with a vessel whose LOA exceeds the MLOA listed on the LLP. The MLOA for a qualifying vessel was first calculated as part of the vessel moratorium action that preceded the development of the LLP (NPFMC 1994). The Council's objective with the moratorium was to freeze the number of vessels participating in the groundfish, crab, and halibut fisheries, and control continued growth in fishing capacity, while the Council developed a comprehensive long-term management plan for the fisheries under its jurisdiction. At the moratorium's inception, a "twenty percent rule" was adopted for qualifying vessels less than 125 feet, such that the MLOA was determined to be 1.2 times the LOA, or 125 feet (whichever is less). For vessels with an LOA of greater than 125 feet, the MLOA was calculated as equivalent to the LOA of the qualifying vessel. The twenty percent rule was intended to allow some flexibility for vessels less than 125 feet to accommodate ongoing modifications in operations, while only allowing marginal increases in overall catching capacity and capitalization. The LLP continued the MLOA requirement as a provision of the license. The LLP also established three vessel length classes (less than 60 feet LOA, greater than or equal to 60 feet but less than 125 feet LOA, or greater than 125 feet LOA), noting that a vessel length upgrade under the 20 percent rule could not exceed the length constraint of their vessel class.

Most of the limited entry fisheries are managed as derby fisheries. Notable exceptions are the BS pollock fisheries, the BSAI non-pollock catcher/processor fisheries (known as the Amendment 80 fisheries), and the Central Gulf of Alaska rockfish fisheries, which are all managed with cooperative programs. In the derby fisheries, after the directed fishery opening, inseason managers with NOAA Fisheries monitor inseason

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<sup>43</sup> Similar provisions are now required in the GOA, beginning in 2012. See 50 CFR 679.4(k)(10).

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catches, closing the directed fishery when the harvest reaches directed fishing allowance. Inseason managers credit both directed harvest and incidental harvest against the TAC for groundfish species to ensure that the species are not over harvested. NOAA Fisheries allows vessels to retain incidental catch of groundfish species (if the TAC has not been reached) taken in other directed fisheries that are open, up to maximum retainable amount (MRA). If the fishery is closed to directed fishing and the TAC is reached, NOAA Fisheries issues a prohibition on retention for that species and all catch of that species must be discarded. If a fishery is closed to directed fishing for one of these species, the Acceptable Biological Catch (ABC) has been taken, and the harvest is approaching the overfishing level, then NOAA Fisheries could close target fisheries that have the potential to incidentally harvest that species.

The Bering Sea pollock fishery is managed under the cooperative structure defined by the AFA (see section 1.9). The annual BSAI Bering Sea pollock fishery is divided into two seasons: the “A” season, which opens in January and typically ends in April, and the “B” season, which typically runs from July through the end of October. The “A” season fishery has historically focused on roe-bearing females, and is concentrated north and west of Unimak Island and along the 100-meter contour between Unimak and the Pribilof Islands. “A” season pollock also provide other primary products such as surimi and fillet blocks, but yields on these products are slightly lower than in the “B” season, when pollock carry a lower roe content and are, thus, primarily processed for surimi and fillet blocks. The “B” season fishery takes place west of 170° W.

The BSAI Pacific cod fishery is managed by sector allocations, after an allocation to the CDQ program. The trawl sectors are: trawl catcher vessels, Amendment 80 catcher/processors, and AFA catcher/processors. The allocations are set by regulation into three seasons: the “A” season runs from January 20 through April 1; the “B” season from April 1 through June 10; and finally, the “C” season is open June 10 through November. Most of the trawl Pacific cod is targeted in the A and B seasons.

The BSAI Atka mackerel, Pacific ocean perch (POP), and yellowfin sole fisheries are managed under the Amendment 80 program and allocated to the CDQ groups, Amendment 80 catcher/processors, and the BSAI trawl limited access sector. The Atka mackerel fishery is divided equally into two seasons: the “A” season, which opens in January until June 10, and the “B” season, opens June 10 through the end of October. The POP fishery for the BSAI trawl limited access sector has one seasonal allocation of April 15 to December 31. The BSAI rock sole and flathead sole fisheries are managed under the Amendment 80 program and allocated to the CDQ groups and Amendment 80 catcher/processors.

In the GOA, the pollock fishery is managed as a limited entry derby fishery. The fishery is divided into four seasons in the Central and Western GOA, beginning January 20 (A season), March 10 (B season), August 25 (C season) and October 1 (D season), with 25 percent of the total TAC allocated to each season. For trawl vessels targeting Pacific cod, there are two seasons: “A” season runs from January 20 through June 10 and the “B” season runs from September 1 through November 1. Starting in 2012, Western and Central GOA Pacific cod TAC is apportioned amongst gear and operation types (50 C.F.R. §679.20(a)(12)(i)). The trawl CV apportionment in the Western GOA is 38.4% and in the Central GOA is 41.6%. Prior to 2012, GOA Pacific cod was apportioned by inshore and offshore components.

For the remaining GOA groundfish, halibut PSC limits tend to restrict their harvest. Halibut PSC limits often constrain harvest of groundfish species assigned to the deep- and shallow-water fishery complexes, developed to manage halibut mortality. GOA Halibut PSC apportionments occur during five periods: January 20 – April 1, April 1 – July 5, July 5 – September 1, September 1 – October 1, and October 1 – December 31.

Pacific halibut, Pacific herring, Pacific salmon and steelhead, king crab, and Tanner crab are prohibited species and, as such, must be avoided while fishing for groundfish. Prohibited species catches must be returned to the sea with a minimum of injury, except when their retention is required or authorized by other applicable laws. PSC is apportioned between trawl and non-trawl fisheries and by target fishery and season. The halibut PSC limit for trawl gear is currently 3,675 mt for the BSAI and 2,000 mt for the GOA. In both the BSAI and GOA, halibut PSC limits often prevent the annual quota of many groundfish species (particularly flatfish) from being harvested. The PSC limits for *C. bairdi* and *C. opilio* crab are dependent upon the abundance of these species



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of crab, while the PSC limit for red king crab is dependent on the abundance and spawning biomass of red king crab. For Chinook salmon in the BSAI pollock fishery, the AFA fleets as a whole fish under a hard cap of 47,591 fish, or may participate in a NMFS-approved incentive program and fish under a higher cap level of 60,000 fish. These cap limits are apportioned by season and among sectors. Once a seasonal cap for a sector is reached, pollock fishing in the Bering Sea is closed for the remainder of the season for that sector. Vessels that do not choose to fish under an incentive plan agreement are limited to a proportion of a lower cap of 28,496 fish.

All vessels participating in the groundfish fisheries are required to retain all catch of pollock and Pacific cod, when directed fishing for these species is open, regardless of gear type employed and target fishery. When directed fishing for one of these species is prohibited, retention of that species is required only up to any MRA in effect for that species. No discarding of whole fish of these species is allowed, either prior to or subsequent to that species being brought on board the vessel, except as required in the regulations. At-sea discarding of any processed product from pollock or Pacific cod is also prohibited, unless required by other regulations.

## **1.9 Description of the American Fisheries Act Sectors**

AFA is composed of the AFA catcher vessel sector, AFA catcher/processor sector, and AFA motherships. The following is a description of these sectors.

### **1.9.1 AFA catcher vessel sector**

The AFA trawl catcher vessel sector includes all trawl catcher vessels that are issued an AFA permit making them eligible to participate in the directed BSAI pollock fishery. The catcher vessel sector is composed of catcher vessels that eligible to deliver BSAI inshore pollock to inshore processors, catcher vessels that eligible to deliver BSAI offshore pollock catcher/processors, and catcher vessels that are eligible to deliver BSAI offshore pollock to motherships.

The AFA trawl catcher vessel sector is defined under the AFA, and thus the number of eligible participants has been determined and is fairly constant. These vessels currently operate in a cooperative system established through the AFA for BSAI pollock. A total of 99 catcher vessels and 8 processing plants initially qualified for the inshore component.

In addition, the AFA listed seven catcher vessels that are eligible to deliver to catcher/processor vessels in the offshore component. None of the seven catcher vessels that may deliver pollock to catcher/processors are eligible to deliver pollock in the inshore component or mothership component of the Bering Sea directed pollock fishery.<sup>44</sup>

The AFA specifically listed three eligible motherships. Motherships do not fish, but rather process pollock harvested by the eligible catcher vessels that transfer that catch at seas to the mothership.

The AFA listed 19 catcher vessels eligible to operate in the mothership component and specified criteria that other catcher vessels could seek to show they met; one additional catcher vessel qualified by this route. The Act allows a catcher vessel to deliver pollock in the inshore sector and the mothership sector. These vessels are called “dual-qualified” vessels.”

In 2001, the first full year of implementation of the AFA, NMFS initially issued catcher vessel permits to a total of 112 catcher vessels in the following categories: 7 catcher vessels had permits with a catcher/processor endorsement only; 6 catcher vessels had permits with a mothership endorsement only; 85 catcher vessels had

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<sup>44</sup> AFA, section 208(a)(3) and section 208(c)(20)(C).

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AFA permits with an inshore endorsement only; 14 catcher vessels had permits with an inshore endorsement and a mothership endorsement and thus were dual-qualified vessels.<sup>45</sup>

Between 2001 and 2010, the number of catcher vessels with AFA permits decreased slightly from 112 to 110 catcher vessels.<sup>46</sup> In those years, under the replacement provisions of the original AFA, two catcher vessels were replaced but they were replaced with vessels that already were AFA vessels; thus, there was a net decrease of two in the number of AFA catcher vessels.<sup>47</sup>

Eligible catcher vessels may deliver BS pollock to seven eligible AFA inshore processors and may form cooperatives associated with a one of the seven inshore processors. These catcher vessels are not required to join a cooperative and those that do not join a cooperative are managed by NMFS under the “inshore open access fishery.” In recent years, all inshore catcher vessels have joined one of seven inshore cooperatives. Annually, NMFS allocates the inshore sector’s allocation of pollock among the inshore cooperatives and, if necessary, the inshore open access fishery. NMFS permits the inshore cooperatives, allocates pollock to them, and manages these allocations through a regulatory prohibition against an inshore cooperative exceeding its pollock allocation.

The inshore catcher vessel cooperatives are required to submit copies of their contracts to NMFS annually. These contracts must contain the information required in NMFS regulations, including information about the cooperative structure, vessels that are parties to the contract, and the primary inshore processor that will receive at least 90 percent of the pollock deliveries from these catcher vessels. Each catcher vessel in a cooperative must have an AFA permit with an inshore endorsement, a license limitation program permit authorizing the vessel to engage in trawl fishing for pollock in the Bering Sea, and no sanctions on the AFA or license limitation program permits. Although the contract requirements are governed by NMFS regulations, compliance with the provisions of the contract (primarily the 90 percent processor delivery requirements) are not enforced by NMFS, but are enforced through the private contractual arrangement of the cooperative.

In contrast to the inshore-eligible catcher vessels, the AFA requires a “cooperative of the whole” for the mothership eligible catcher vessels. Mothership eligible catcher vessels have formed a cooperative called the Mothership Fleet Cooperative. Under the AFA, fishery cooperatives are authorized to form in the mothership sector if at least 80 percent of the mothership sector catcher vessels enter into a fishery cooperative. The three motherships also are eligible to join the cooperative and retain a limited anti-trust exemption under the Fisherman’s Collective Marketing Act. The three motherships in this sector have not formed a separate cooperative and are not members of the Mothership Fleet Cooperative.

### **BSAI and GOA Sideboards**

As a part of AFA, the Council developed a variety of sideboards to prevent vessels from increasing their catch in other fisheries. Sideboard limits do not guarantee the sector that is sideboarded any amount of groundfish TAC. If other sectors take the available TAC before the sideboard limit is taken, both the sideboard fishery and the directed fishery will be closed to directed fishing. If the sideboard fleet reaches their sideboard limit before the TAC is taken, the sideboard fishery would be closed to directed fishing, but the remainder of the fleet may continue to fish under the remaining TAC.

NMFS will only open directed fishing for a species when adequate sideboard amounts exist at the start of the fishing year to cover both the bycatch needs of that species in other fisheries and the directed fishery harvests.

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<sup>45</sup> The NMFS Alaska Region website shows AFA permits issued by year, by vessel, and by sector endorsement. AFA-permitted vessels in 2001: <https://alaskafisheries.noaa.gov/ram/afa.htm>.

<sup>46</sup> AFA-permitted vessels in 2010: <https://alaskafisheries.noaa.gov/ram/afa.htm>.

<sup>47</sup> One catcher vessel that sank was a dual-qualified vessel (eligible to deliver pollock in the inshore and mothership sectors) and was replaced in 2004 by a vessel that already was a dual-qualified vessel. That is why there are currently 13 catcher vessels, not 14, that are dual-qualified. AFA-permitted vessels in 2004 - 2013: <https://alaska.fisheries.noaa.gov/ram/afa.htm>. The other catcher vessel that sank had an inshore endorsement only and was replaced in 2010 by a catcher vessel that already had an inshore endorsement only.

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NMFS will determine the bycatch of each species that is required in all of the catcher/processor target fisheries and the catcher vessel target fisheries, and then they will subtract that amount from the available sideboard cap. The remainder is the amount of a species the AFA catcher/processors and AFA catcher vessels could use in a directed fishery. If that sideboard amount is too small to manage as a target fishery, NMFS would issue a closure notice at the beginning of the year and directed fishing for that sideboard species would not open.

### ***BSAI Sideboards***

For AFA catcher vessels operating in the BSAI, the sideboard limits for each groundfish species, other than Pacific cod, are based on their retained catch in the target fisheries during the 1995 through 1997 period relative to TACs available to catcher vessels for that species. For Pacific cod, AFA catcher vessels are split into two categories, those that are subject to the BSAI Pacific cod sideboard limit and those that are exempt. The Council elected to exempt AFA catcher vessels from the Pacific cod sideboards if the vessel landed less than 5,100 mt of BSAI pollock from 1995 through 1997 and made 30 or more landings of BSAI Pacific cod during that time period. The rationale for this exemption was that many of the AFA catcher vessels with relatively low pollock catch history have traditionally targeted BSAI Pacific cod during the winter cod fishery. In addition to the BSAI Pacific cod exemption, AFA catcher vessels with mothership endorsements are exempt from BSAI Pacific cod sideboard limit directed fishing closures after March 1 of each fishing year. Of the 109 catcher vessels with AFA permits in 2011, 10 vessels are exempt from BSAI Pacific cod sideboards limits and 19 vessels have mothership endorsements so are exempt after March 1. The remaining 80 AFA catcher vessels are fully subject to BSAI Pacific cod sideboard limits.<sup>48</sup>

As noted in Table 1-1, harvesting caps were sufficient to open only the Pacific cod trawl fishery to directed fishing in 2011 and catch in those fisheries was significantly lower than the sideboard limit. The remaining sideboard fisheries were closed for directed fishing. As for yellowfin sole, there was no sideboard limit for the 2011 period since the aggregate ITAC was greater than or equal to 125,000 mt. Table 1-2 provides the 2011 BSAI PSC sideboard limits for AFA catcher vessels.

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<sup>48</sup> AFA-permitted vessels in 2011: <https://alaskafisheries.noaa.gov/ram/afa.htm>.

Table 1-1 2011 listed BSAI AFA catcher vessel groundfish sideboard limits (mt)

Target Species	Area/season	2011 ITAC available to trawl C/Vs <sup>1</sup> (mt)	2011 AFA C/V sideboard limit (mt)	2011 AFA C/V Sideboard usage (mt)
Pacific cod/Jig gear	BSAI	n/a	0	Closed to directed fishing
Pacific cod/Hook-and-line CV	BSAI Jan 1 -Jun 10	207	0	Closed to directed fishing
	BSAI Jun 10-Dec 31	199	0	Closed to directed fishing
Pacific cod/pot gear CV	BSAI Jan 1 -Jun 10	8,685	5	Closed to directed fishing
	BSAI Jun 10-Dec 31	8,345	5	Closed to directed fishing
Pacific cod CV<60 LOA using hook and line or pot gear	BSAI	4,055	2	Closed to directed fishing
Pacific cod trawl gear CV	BSAI Jan 20-Apr 1	33,290	28,659	16,472
	BSAI Apr 1-Jun 10	4,949	4,261	863
	BSAI Jun 10-Nov 1	6,748	5,809	1,732
Sablefish trawl gear	BS	1,211	110	Closed to directed fishing
	AI	404	26	Closed to directed fishing
Atka mackerel	Eastern AI/BS Jan 1-June 10	17,994	58	Closed to directed fishing
	Eastern AI/BS Jun 10-Nov 1	17,994	58	Closed to directed fishing
	Central AI/BS Jan 1-June 10	5,037	1	Closed to directed fishing
	Central AI/BS Jun 10-Nov 1	5,037	1	Closed to directed fishing
	Western AI Jan 1-June 10	n/a	0	Closed to directed fishing
	Western AI/BS Jun 10-Nov 1	n/a	0	Closed to directed fishing
Rock Sole	BSAI	75,905	2,588	Closed to directed fishing
Greenland turbot	BS	2,975	192	Closed to directed fishing
	AI	1,318	27	Closed to directed fishing
Arrowtooth flounder	BSAI	22,015	1,519	Closed to directed fishing
Kamchatka flounder	BSAI	15,045	1,038	Closed to directed fishing
Alaska plaice	BSAI	13,600	600	Closed to directed fishing
Other flatfish	BSAI	2,550	112	Closed to directed fishing
Flathead sole	BS	37,102	1,874	Closed to directed fishing
Pacific ocean perch	BS	4,854	485	Closed to directed fishing
	Eastern AI	5,054	39	Closed to directed fishing
	Central AI	4,429	11	Closed to directed fishing
	Western AI	n/a	0	Closed to directed fishing
Northern rockfish	BSAI	4,000	34	Closed to directed fishing
Shortraker rockfish	BSAI	393	1	Closed to directed fishing
Rougheye rockfish	EBS/EAI	234	1	Closed to directed fishing
	CAI/WAI	220	1	Closed to directed fishing
Other rockfish	BS	500	2	Closed to directed fishing
	AI	425	5	Closed to directed fishing
Squids	BSAI	361	138	Closed to directed fishing
Skates	BSAI	14,025	759	Closed to directed fishing
Sharks	BSAI	43	2	Closed to directed fishing
Octopuses	BSAI	128	7	Closed to directed fishing
Sculpins	BSAI	4,420	239	Closed to directed fishing

<sup>1</sup>Aleutian Islands Pacific ocean perch, and BSAI Atka mackerel, flathead sole, rock sole, yellow fin sole are multiplied by the remainder of the TAC after the Note: AFA catcher vessels are not subject to a sideboard limit for yellow fin sole in the BSAI during the year if the aggregate ITAC of yellow fin sole assigned to the Amendment 80 sector and BSAI trawl limited access sector is greater than or equal to 125,000 mt.

Table 1-2 2011 AFA Catcher vessel prohibited species sideboard limits and usage for the BSAI<sup>1</sup>

PSC species	Target fishery category <sup>2</sup>	2011 PSC limit after subtraction of PSQ reserves	2011 AFA Catcher vessel PSC sideboard limit	2011 sideboard usage
Halibut	Pacific cod trawl	n/a	887	175
	Pacific cod hook-and-line or pot	n/a	2	0
	Yellowfin sole total	n/a	101	0
	Rock sole/flathead sole/other flatfish <sup>3</sup>	n/a	228	0
	Greenland turbot/turbot/arrowtooth/sablefish <sup>4</sup>	n/a	0	0
	Rockfish	n/a	2	0
	Pollock/Atka mackerel/other species <sup>5</sup>	n/a	5	121
Red king crab Zone 1 <sup>4 6</sup>	N/A	175,921	52,600	1,161
<i>C. opilio</i> COBLZ <sup>4 6</sup>	n/a	7,421,259	1,246,771	0
<i>C. bairdi</i> Zone 1 <sup>4 6</sup>	n/a	741,190	244,593	6,557
<i>C. bairdi</i> Zone 2 <sup>6</sup>	n/a	2,250,360	418,567	2,729

<sup>1</sup> Halibut amounts are in metric tons of halibut mortality. Crab amounts are in numbers of animals.  
<sup>2</sup> Target fishery categories are defined in regulation at § 679.21(e)(3)(iv).  
<sup>3</sup> "Other flatfish" for PSC monitoring includes all flatfish species, except for halibut (a prohibited species), flathead sole, Greenland turbot, rock sole, yellow fin sole, Kamchatka flounder, and arrow tooth flounder  
<sup>4</sup> Arrow tooth flounder for PSC monitoring includes Kamchatka flounder  
<sup>5</sup> "Other species" for PSC monitoring includes sculpins, skarks, skates, and octopuses.  
<sup>6</sup> Refer to § 679.2 for definitions of areas.

### GOA Sideboards

In the GOA, AFA catcher vessels are divided into two categories, those vessels subject to sideboard limits and those vessels exempt from sideboard limits. Similar to the BSAI, the Council provided an exemption for AFA catcher vessels that have demonstrated dependence on GOA fisheries, while having limited history in the BSAI pollock fishery. To qualify as an exempt AFA catcher vessel, the vessel must 1) be less than 125 feet length overall, 2) have landings of pollock in the BSAI of less than 5,100 from 1995 through 1997, and 3) made at least 40 landings of GOA groundfish from 1995 through 1997. Of the 109 catcher vessels with AFA permits in 2011, 16 are exempt from GOA sideboards limit.<sup>49</sup> Although not incorporated in regulation, the Council recommended and approved the exemption with the understanding that no GOA sideboard-exempt vessel would lease its BS pollock in a year that it exceeds its GOA average harvest level from 1995 through 1997. To ensure that Council's intent is satisfied, the Catcher Vessel Inter-cooperative Agreement binds vessels to this limitation.

The remaining 93 AFA catcher vessels are subject to the GOA sideboard limits, which are calculated based on the catch histories of these non-exempt vessels. Specifically, the sideboard ratio is aggregate retained catch for each groundfish species or species group during 1995 through 1995 period relative to the sum of the TACs for the species or species group. An inter-cooperative agreement divides the sideboard limit among the cooperatives and set penalties for exceeding the limits. Table 1-3 provides the GOA sideboard limits and usage for the non-exempt AFA catcher vessels for the 2011 fishing year.

Sideboard limits were also developed for halibut PSC in the GOA. The sideboard limit is calculated based on the retained groundfish catch by non-exempt AFA catcher vessels in the shallow-water and deep-water complex from 1995 through 1997 relative to total retained catch in the shallow-water and deep-water complex (Table 1-4). Under these sideboard limits, fisheries in the applicable complex are closed for the remainder of a season, once NOAA Fisheries determines that the sideboard will be reached. Any unused halibut PSC sideboard limit in one season may be rolled to the next season. In addition, because a substantial number of AFA vessels receive allocations under the rockfish program (and an associated halibut PSC allowance), the limited access deep-water complex fisheries are closed to AFA vessels in the third season.

<sup>49</sup> AFA-permitted vessels in 2011: <https://alaskafisheries.noaa.gov/ram/afa.htm> .

Table 1-3 2011 listed GOA AFA catcher vessel groundfish sideboard limits (mt)

Species	Apportions by season	Area/component	Ratio of 1995-1997	Final 2011 TACs	Final 2011 non-exempt AFA CV sideboard limit (mt)	2011 AFA CV sideboard usage (mt)
			non-exempt AFA CV catch to 1995-1997 TAC			
Pollock	A Season Jan 20 - Mar 10	Shumagin (610)	0.6047	4,787	2,895	79
		Chirikof (620)	0.1167	11,896	1,388	390
		Kodiak (630)	0.2028	4,475	908	0
	B Season Mar 10 - May 31	Shumagin (610)	0.6047	4,787	2,895	0
		Chirikof (620)	0.1167	14,232	1,661	786
		Kodiak (630)	0.2028	2,139	434	5
	C Season Aug 25 - Oct 1	Shumagin (610)	0.6047	8,729	5,278	1282
		Chirikof (620)	0.1167	5,618	656	274
		Kodiak (630)	0.2028	6,811	1,381	488
	D Season Oct 1 - Nov 1	Shumagin (610)	0.6047	8,729	5,278	188
		Chirikof (620)	0.1167	5,618	656	402
		Kodiak (630)	0.2028	6,811	1,381	402
	Annual	WYK (640)	0.3495	2,239	783	129
		SEO (650)	0.3495	9,245	3,231	0
Pacific cod	A season Jan 10 - Jun 10	W inshore	0.1365	12,303	1,679	484
		W offshore	0.1026	1,367	140	0
		C inshore	0.0689	21,795	1,502	349
		C offshore	0.0721	2,422	175	0
	B Season Sept 1 - Dec 31	W inshore	0.1365	8,202	1,120	17
		W offshore	0.1026	911	93	0
		C inshore	0.0689	14,530	1,001	435
		C offshore	0.0721	1,614	116	0
	Annual	E inshore	0.0079	1,758	14	Closed to directed fishing
		E offshore	0.0078	195	2	Closed to directed fishing
Sablefish	Annual, trawl gear	W	0	334	0	Closed to directed fishing
		C	0.0642	948	61	Closed to directed fishing
		E	0.0433	247	11	Closed to directed fishing
Flatfish shallow-water	Annual	W	0.0156	4,500	70	5
		C	0.0587	13,000	763	82
		E	0.0126	1,228	15	Closed to directed fishing
Flatfish deep-water	Annual	W	0	529	0	Closed to directed fishing
		C	0.0647	2,919	189	13
		E	0.0128	2,083	27	0
Rex sole	Annual	W	0.0007	1,517	1	Closed to directed fishing
		C	0.0384	6,294	242	87
		E	0.0029	868	3	Closed to directed fishing
Arrowtooth flounder	Annual	W	0.0021	8,000	17	Closed to directed fishing
		C	0.028	30,000	840	676
		E	0.0002	2,500	1	Closed to directed fishing
Flathead sole	Annual	W	0.0036	2,000	7	Closed to directed fishing
		C	0.0213	5,000	107	63
		E	0.0009	2,064	2	Closed to directed fishing
Pacific ocean perch	Annual	W	0.0023	2,798	6	Closed to directed fishing
		C	0.0748	10,379	776	429
		E	0.0466	1,937	90	0
Northern rockfish	Annual	W	0.0003	2,573	1	Closed to directed fishing
		C	0.0277	2,281	63	53
Shortraker rockfish	Annual	W	0	134	0	Closed to directed fishing
		C	0.0218	325	7	Closed to directed fishing
		E	0.011	455	5	Closed to directed fishing
Other rockfish	Annual	W	0.0034	212	1	Closed to directed fishing
		C	0.01699	507	9	Closed to directed fishing
		E	0	276	0	Closed to directed fishing
Pelagic shelf rockfish	Annual	W	0.0001	611	0	Closed to directed fishing
		C	0	3,052	0	Closed to directed fishing
		E	0.0067	407	3	Closed to directed fishing
Rougheye rockfish	Annual	W	0	81	0	Closed to directed fishing
		C	0.0237	868	21	Closed to directed fishing
		E	0.0124	363	5	Closed to directed fishing
Demersal shelf rockfish	Annual	SEO	0.002	300	1	Closed to directed fishing
Thornyhead rockfish	Annual	W	0.028	425	12	Closed to directed fishing
		C	0.028	637	18	Closed to directed fishing
		E	0.028	708	20	Closed to directed fishing
Atka mackerel	Annual	Gulfw ide	0.0309	2,000	62	Closed to directed fishing
Big skates	Annual	W	0.0063	598	4	Closed to directed fishing
		C	0.0063	2,049	13	Closed to directed fishing
		E	0.0063	681	4	Closed to directed fishing
Longnose skates	Annual	W	0.0063	81	1	Closed to directed fishing
		C	0.0063	2,009	13	Closed to directed fishing
		E	0.0063	762	5	Closed to directed fishing
Other skates	Annual	Gulfw ide	0.0063	2,093	13	Closed to directed fishing
Squids	Annual	Gulfw ide	0.0063	1,148	7	Closed to directed fishing
Sharks	Annual	Gulfw ide	0.0063	6,197	39	Closed to directed fishing
Octopuses	Annual	Gulfw ide	0.0063	954	6	Closed to directed fishing
Sculpins	Annual	Gulfw ide	0.0063	5,496	35	Closed to directed fishing

<sup>1</sup> The Pacific cod A season for trawl gear does not open until Jan 20.

<sup>2</sup> The Pacific cod B season for trawl gear closes Nov 1.

Table 1-4 AFA catcher vessel halibut PSC sideboard limits

Trawl Season	Halibut PSC complex	Ratio of 1995-1997 retained catch in the PSC target category relative to total retained catch in target category	2011 halibut PSC (mt)	2011 total halibut PSC sideboard limit (mt)	2011 halibut PSC sideboard usage (mt)
First seasonal allowance (Jan 20 - Apr 1)	Shallow-water	0.34	450	153	16
	Deep-water	0.07	100	7	0
Second seasonal allowance (Apr 1 - Jul 1)	Shallow-water	0.34	100	34	1
	Deep-water	0.07	300	21	11
Third seasonal allowance (Jul 1 - Sep 1)	Shallow-water	0.34	200	68	0
	Deep-water	0.07	400	28	0
Fourth seasonal allowance (Sep 1 - Oct 1)	Shallow-water	0.34	150	51	0
	Deep-water	0.7	0	0	17
Fifth seasonal allowance (Oct 1 - Dec 31)	All targets	0.205	300	62	7

AFA sideboard-exempt catcher vessels that participate in the Central GOA Rockfish Program are restricted by Central GOA Rockfish Program sideboard limits. Originally implemented in 2006, the Central GOA Rockfish Program includes a suite of GOA groundfish sideboard limits for catcher vessels. These sideboard limits are in effect only during the month of July. They are designed to restrict fishing during the historical month of the rockfish fishery, but allow eligible rockfish harvesters to participate in fisheries before and after that time period. Sideboard limits apply to harvest in other GOA rockfish fisheries (pelagic shelf rockfish, Pacific ocean perch, and northern rockfish) fisheries and halibut PSC (which limits participation in GOA flatfish fisheries). In 2011, 13 AFA catcher vessels participated in the Central GOA Rockfish Program, of which 11 were limited by the Central GOA Rockfish Program sideboards, and two were not limited by Rockfish Program sideboards.

In addition to the AFA sideboards in the GOA, there are stand-down requirements for trawl catcher vessels that fish in both the BSAI and GOA (§ 679.23(h)) that impact AFA catcher vessels. These measures were implemented in 1998, and are intended to prevent unexpected shifts of fishing effort between BSAI and GOA fisheries that can lead to overharvests of total allowable catch in the Western and Central regulatory areas of the GOA. There are three stand-down requirements:

- (1) Trawl catcher vessels operating in the BSAI while the pollock or Pacific cod fisheries are open for directed fishing are prohibited from deploying trawl gear in the Western and Central GOA for three days after landing or transferring all BSAI groundfish. An exception applies to trawl catcher vessels that participate in the directed Pacific cod fisheries in the GOA and deliver to processors operating in the offshore sector.
- (2) Trawl catcher vessels operating in the Western GOA area while pollock or inshore Pacific cod are open for directed fishing are restricted from using trawl gear in the BSAI for three days after landing or transferring all Western GOA groundfish.
- (3) Trawl catcher vessels operating in the Central GOA area while pollock or inshore Pacific cod are open to directed fishing are restricted from using trawl gear in the BSAI for two days after landing or transferring all Central GOA groundfish.

In addition to standdown requirements, there are exclusive fishing seasons for trawl catcher vessels that participate in the directed pollock fisheries in both the BSAI and GOA that impact AFA catcher vessels. These measures were implemented by emergency interim rule on January 25, 2000 (65 FR 3892) to address competitive interactions between the groundfish fisheries and Steller sea lions. As shown in Table 1-5, catcher vessels fishing in one season in the GOA or BSAI are prohibited from fishing in the alternative management area until the following season. This prohibition limits the concentration of fishing effort in one area and reduces the potential for localized depletion of Steller sea lion prey. Vessels less than 125 ft. LOA are exempt from this restriction when fishing east of 157° 00' W longitude.

Table 1-5 Exclusive fishing seasons for trawl catcher vessels operating in the BSAI and GOA directed pollock fisheries

If you own or operate a catcher vessel and engage in directed fishing for pollock in the...	During the...	Then you are prohibited from subsequently engaging in directed fishing for pollock with that catcher vessel in the...
BSAI	A season	GOA until the following C season
	B season	GOA until the A season of the next year
GOA	A season	BSAI until the following B season
	B season	BSAI until the following B season
	C season	BSAI until the A season of the following year
	D season	BSAI of the A season the following year

Further, AFA catcher vessels are subject to trip limits for pollock that were implemented as part of the package of Steller sea lion mitigation measures adopted in 1999 (64 FR 3441). Catcher vessels are prohibited from retaining on board more than 300,000 lbs. (136 mt) of unprocessed pollock harvested in the GOA at any time during a trip (§ 679.7(b)(2)). This trip limit does not exempt vessels from regulations that require 100 percent retention of pollock when directed fishing for pollock is open. In addition, vessels in the GOA pollock fisheries are limited to landing no more than 300,000 lbs. through any delivery means, during a calendar day. A calendar day is defined as 12 AM to 12 AM (or 0001 hrs. to 2400 hrs.). The cumulative amount of pollock harvest from any GOA reporting area by an individual trawl catcher vessel is 300,000 lbs. times the number of calendar days the fishery is open in the respective reporting area.

Finally, trawl catcher vessels are prohibited from operating as pollock tenders and retaining on board more than 600,000 lbs. (272 mt) of unprocessed pollock in the GOA east of 157° 00' W longitude (§679.7(b)(3)). This regulation is intended to preclude the large scale use of tender vessels to circumvent the trip limit restriction. Tendering west of 157° 00' W longitude is allowed because smaller vessels delivering to Sand Point and King Cove are more dependent to tenders than the larger vessels that operate east of 157° 00' W longitude and deliver primarily to Kodiak.

### **AFA Catcher Vessel Participation and Catch**

In 2011, 92 AFA trawl catcher vessels made at least one delivery of groundfish (Table 1-6). Over the years, the number of active vessels in this sector has declined as a result of the inactivity of less efficient vessels. In general, the vessels in this sector were built in 1970 and 1980 (Table 1-7). Some of the oldest AFA catcher vessels are active in the GOA groundfish fisheries and are exemption from AFA GOA groundfish sideboard limits. AFA catcher vessels range in length from 73 feet to 189 feet. Of the 92 active vessels, 28 vessels are less than 100 feet in length, 15 vessels are between 100 feet and 120 feet in length, 24 vessels are between 120 feet and 129 feet, and the remaining 25 vessels are greater than 129 feet. Of the 92 active catcher vessels in 2011, 57 vessels have a BSAI only endorsement, while 35 vessels also have GOA endorsements. Of those 35 GOA-endorsed vessels, 15 vessels are exempt from GOA sideboards and 20 vessels are restricted by GOA sideboards. Eleven of the GOA sideboard-exempt vessels have both a Central and Western GOA endorsement, while four of the exempt vessels only have a Central GOA endorsement in addition to their BS endorsement. Finally, of the 20 AFA non-exempt sideboard vessels, 11 vessels have only a Central GOA endorsement, five vessels only have a Western GOA endorsement, and four vessels have both a Central and Western GOA endorsement.



Table 1-6 Number of AFA catcher vessels active in 2011 by vessel length with sideboard exemptions and GOA area endorsements

Vessel length (feet)	Number of active AFA eligible CVs	Number of active AFA eligible CVs with GOA sideboard exemption	Number of active AFA eligible CVs with BSAI Pcod exemption	Number of active AFA eligible CVs with CGOA endorsement	Number of active AFA eligible CVs with WGOA endorsement
<100	28	14	9	19	12
100-109	8	1	0	3	2
110-119	7	0	0	2	1
120-129	24	0	0	4	5
130-139	6	0	0	1	0
140-149	5	0	0	0	0
150-159	3	0	0	0	0
160-169	4	0	0	1	0
170-179	3	0	0	0	0
180-189	4	0	0	0	0
Total	92	15	9	30	20

Source: RAMLLP file, AK Vessel file, AK Region Sources, and Blend data  
Table from AFA\_Active(08-14)

Table 1-7 Number of AFA catcher vessels active in 2011 by year vessel was built

Year vessel was build	Number of active AFA eligible CVs	Number of active AFA eligible CVs with GOA sideboard exemption	Number of active AFA eligible CVs with BSAI Pcod exemption	Number of active AFA eligible CVs with CGOA endorsement	Number of active AFA eligible CVs with WGOA endorsement
1949	1	1	0	1	1
1966	1	1	1	1	1
1967	1	0	0	0	0
1968	1	1	1	1	1
1969	3	1	0	2	2
1970	1	1	0	1	1
1971	1	0	1	0	0
1972	1	0	0	0	0
1973	3	0	1	0	0
1974	8	0	0	0	0
1975	3	0	0	0	1
1976	2	1	0	1	1
1977	4	2	0	2	2
1978	10	4	1	3	5
1979	20	1	0	3	6
1980	8	0	0	2	2
1981	5	1	0	1	1
1982	3	1	1	0	2
1983	2	0	0	0	0
1984	2	0	0	0	0
1986	1	0	0	0	0
1987	3	0	1	1	1
1988	4	0	1	0	2
1990	2	0	0	1	1
1991	2	0	1	0	0
Total	92	15	9	30	20

Source: RAMLLP file, AK Vessel file, AK Region Sources, and Blend data  
Table from AFA\_Active(08-14)

AFA catcher vessels target primarily pollock in the BS. Several vessels also participate in other groundfish fisheries to the extent they are authorized to do so under the AFA provisions and sideboards. Table 1-8 provides the number of AFA catcher vessels with retained catch amongst the different BSAI groundfish species, and Table 1-9 shows the associated retained catch for those BSAI groundfish species. As indicated in the tables, nearly all the active AFA catcher vessels retained pollock, Pacific cod, and flatfish. However, as

shown in Table 1-9, most of the AFA catcher vessels focus on the pollock fishery. For example, in 2011, AFA catcher vessels retained 626,703 mt of pollock, while the next highest retained species, Pacific cod, came in at 30,359 mt. As for the other groundfish species in the BSAI, retained catch was significantly less than pollock and even Pacific cod.

**Table 1-8** Number of AFA catcher vessels operating in the BSAI with retained catch by species from 2003 through 2011

Year	Pollock	Pacific cod	Atka mackeral	Flatfish	Rockfish	Sablefish
2003	96	97	70	92	81	57
2004	97	96	75	92	78	36
2005	96	96	73	94	73	48
2006	93	93	78	91	75	48
2007	93	94	75	90	79	52
2008	92	93	70	91	72	21
2009	93	94	66	88	74	12
2010	91	91	63	90	68	9
2011	92	92	82	91	86	14

Source: RAMLLP file, AK Vessel file, AK Region Sources, and Blend data

**Table 1-9** Retained catch (mt) by AFA catcher vessels by BSAI species from 2003 through 2011

Year	Pollock	Pacific cod	Atka mackeral	Flatfish	Rockfish	Sablefish
2003	763,500	34,850	423	1,452	160	9
2004	771,224	35,916	722	1,409	323	14
2005	783,815	32,936	536	1,790	385	9
2006	785,638	33,095	555	3,384	510	5
2007	705,004	29,437	179	4,439	235	4
2008	514,178	26,955	16	3,607	190	2
2009	426,887	23,992	24	7,345	104	1
2010	421,515	23,099	54	3,137	129	1
2011	626,703	30,359	935	4,029	194	0

Source: RAMLLP file, AK Vessel file, AK Region Sources, and Blend data

Table 1-10, Table 1-11, Table 1-12, and Table 1-13 show vessel count and catch in the GOA groundfish fisheries. Of the many groundfish species in the GOA that are retained by AFA catcher vessels operating in the GOA, Pacific and pollock in the Central GOA are the primary fisheries. In 2011, 20 AFA catcher vessels retained 25,030 mt pollock and 21 AFA catcher vessels retained 30,359 mt of Pacific cod. In that year, AFA catcher vessels were also active in the flatfish fisheries with a retained catch of 4,029 mt by 21 vessels and in the rockfish fisheries with retained catch 194 mt by 19 vessels. In the Western GOA, fishing activity by AFA catcher vessels is significantly less than the Central GOA. For example, in 2011, only two AFA catcher vessels participated in the Western GOA groundfish fisheries. Since 2003, only eight AFA catcher vessels have been active in the Western GOA in the same year. Similar to the Central GOA, pollock and Pacific cod were the primary species for these vessels in the Western GOA.

Table 1-10 Number of AFA catcher vessels operating in the Central GOA with retained catch by species from 2003 through 2011

Year	Pollock	Pacific cod	Atka mackerel	Flatfish	Rockfish	Sablefish
2003	23	19	5	23	21	16
2004	23	22	5	23	18	17
2005	21	20	6	20	21	17
2006	20	20	7	20	20	19
2007	20	18	11	19	19	15
2008	21	19	8	19	19	16
2009	20	20	10	20	18	15
2010	19	19	13	19	18	16
2011	20	21	10	21	19	13

Source: RAM LLP file, AK Vessel file, AK Region Sources, and Blend data

Table 1-11 Retained catch (mt) by AFA catcher vessels by Central GOA species from 2003 through 2011

Year	Pollock	Pacific cod	Atka mackerel	Flatfish	Rockfish	Sablefish
2003	14,574	34,850	423	1,452	160	9
2004	16,286	35,916	722	1,409	323	14
2005	17,885	32,936	536	1,790	385	9
2006	19,224	33,095	555	3,384	510	5
2007	17,645	29,437	179	4,439	235	4
2008	17,917	26,955	16	3,607	190	2
2009	9,776	23,992	24	7,345	104	1
2010	21,953	23,099	54	3,137	129	1
2011	25,030	30,359	935	4,029	194	0

Source: RAM LLP file, AK Vessel file, AK Region Sources, and Blend data

Table 1-12 Number of AFA catcher vessels operating in the Western GOA with retained catch by species from 2003 through 2011

Year	Pollock	Pacific cod	Atka mackerel	Flatfish	Rockfish	Sablefish
2003	7	8	2	7	6	0
2004	7	7	3	5	2	0
2005	8	8	2	6	5	0
2006	6	6	3	6	4	2
2007	7	6	2	6	4	1
2008	3	3	2	3	3	1
2009	4	4	1	4	1	1
2010	5	5	3	5	3	2
2011	2	2	2	2	2	1

Source: RAM LLP file, AK Vessel file, AK Region Sources, and Blend data

Table 1-13 Retained catch (mt) by AFA catcher vessels by Western GOA species from 2003 through 2011

Year	Pollock	Pacific cod	Atka mackeral	Flatfish	Rockfish	Sablefish
2003	3,936	172	*	15	9	
2004	5,618	88	0	8	*	
2005	6,426	358	*	26	1	
2006	5,551	20	8	64	12	*
2007	1,933	171	*	8	8	*
2008	610	10	*	23	1	*
2009	929	17	*	20	*	*
2010	3,887	337	0	302	0	*
2011	*	*	*	48	*	*

Source: RAM LLP file, AK Vessel file, AK Region Sources, and Blend data

\* Withheld for confidentiality

Table 1-14 provides PSC for crab, halibut, and salmon in the BSAI, Central GOA, and Western GOA for the AFA catcher vessels from 2003 through 2011. Note, PSC of Chinook salmon and chum salmon has been a major issue for the sector, and numerous regulations and voluntary measures have been implemented over the years to minimize salmon PSC in pollock fisheries.

Table 1-14 AFA catcher vessel crab, halibut, and salmon PSC in the BSAI, Central GOA, and Western GOA from 2003 through 2011

Year	BSAI			Central GOA			Western GOA		
	Crab <sup>1</sup>	Halibut <sup>2</sup>	Salmon <sup>3</sup>	Crab <sup>1</sup>	Halibut <sup>2</sup>	Salmon <sup>3</sup>	Crab <sup>1</sup>	Halibut <sup>2</sup>	Salmon <sup>3</sup>
2003	829,761	642	182,635	237,453	315	5,506	628	5	780
2004	981,199	415	389,595	137,147	479	5,610	1,608	3	535
2005	616,420	611	681,773	18,958	422	10,842	250	2	1,125
2006	484,362	589	353,930	38,604	437	6,571	*	0	1,730
2007	358,663	523	151,410	54,633	352	6,852	125	2	481
2008	113,811	365	30,706	22,297	468	6,288	*	0	55
2009	85,098	307	51,224	25,762	382	2,872	*	0	87
2010	44,948	312	17,657	24,692	363	7,927	70	1	3,359
2011	260,244	291	164,695	27,450	516	6,381	*	*	*

\* Withheld for confidentiality

<sup>1</sup>Number of animals

<sup>2</sup>Metric tons

<sup>3</sup>Number of animals

For the sector's primary target, BS pollock, the estimated gross exvessel value in 2011 was \$168.8 million (Table 1-15). This was a decrease of \$23.1 million from 2010, and below the five year high in 2008 of \$220.8 million. The gross exvessel value of the BSAI Pacific cod fishery in 2011 was \$15.8 million. In the Central GOA, the estimated gross exvessel value for pollock in 2011 was \$8.4 million, while exvessel value for the Pacific cod fishery \$3.7 million (Table 1-16). In the Western GOA, the gross exvessel value for the 2011 pollock fishery was confidential, but the 2010 exvessel value was \$1.3 million (Table 1-17).

AFA catcher vessels deliver whole fish to the processing plants, which then convert the landings to a range of products that typically includes fillets, surimi, roe, minced fish, and fish meal. The sector delivered 90% of its primary target to Dutch Harbor and Akutan. These vessels delivering to the inshore sector have traditionally fished the area north of Unimak Island during the A-season, venturing further north along the shelf break during the B-season.

Table 1-15 Exvessel revenue by species in the BSAI for the AFA catcher vessels from 2003 through 2011 (\$thousand)

Year	Pollock	Pacific cod	Atka mackerel	Flatfish	Rockfish	Sablefish
2003	176,248	21,952	15	46	6	33
2004	171,102	16,977	26	162	9	213
2005	207,309	16,410	23	96	29	111
2006	213,428	25,211	22	158	58	379
2007	192,643	26,024	6	267	44	405
2008	220,813	30,967	0	122	19	575
2009	168,448	11,234	1	214	4	208
2010	145,762	10,827	2	108	4	0
2011	168,825	15,882	85	185	17	0

Source: ADF&G Fish tickets

Table 1-16 Exvessel revenue by species in the Central GOA for the AFA catcher vessels from 2003 through 2011 (\$thousand)

Year	Pollock	Pacific cod	Atka mackerel	Flatfish	Rockfish	Sablefish
2003	2,977	3,455	0	262	521	835
2004	3,813	2,884	0	207	491	643
2005	5,333	2,048	0	574	711	611
2006	5,760	1,912	1	1,561	1,096	679
2007	4,260	1,748	0	1,474	1,555	981
2008	6,584	4,344	0	1,995	1,482	970
2009	3,528	1,557	0	1,426	639	955
2010	8,493	3,363	0	1,018	1,158	1,309
2011	8,406	3,681	0	1,412	1,261	1,979

Source: ADF&G Fish tickets

Table 1-17 Exvessel revenue by species in the Western GOA for the AFA catcher vessels from 2003 through 2011 (\$thousand)

Year	Pollock	Pacific cod	Atka mackerel	Flatfish	Rockfish	Sablefish
2003	1,036	77	*	1	0	
2004	1,224	21	0	0	*	
2005	1,685	244	*	1	0	
2006	1,533	51	0	2	1	*
2007	518	172	*	0	1	*
2008	221	4	*	2	0	*
2009	364	1	*	1	*	*
2010	1,292	107	0	15	0	*
2011	*	*	*	*	*	*

Source: ADF&G Fish tickets

\* Withheld for confidentiality

The next set of tables provides vessel activity and retained catch of BSAI and GOA groundfish for GOA active AFA sideboard-exempt catcher vessels and AFA non-exempt catcher vessels. Table 1-18 and Table 1-19 provide vessel activity and catch in the BSAI for this group of vessels. In 2011, 15 AFA sideboard-exempt catcher vessels and 20 non-exempt sideboard catcher vessels were active in the BS pollock and Pacific cod fisheries. The exempt AFA catcher vessels retained 22,523 metric tons of BS pollock and 1,738 metric tons of BSAI Pacific cod, while the AFA non-exempt catcher vessels reported 114,658 metric tons of BS pollock and 12,428 metric tons of BSAI Pacific cod.

Table 1-18 Count of sideboard-exempt and non-exempt AFA GOA-endorsed catcher vessels active in the BSAI by species from 2003 through 2011

AFA CV type	Year	Pollock	Pacific cod	Atka mackerel	Flatfish	Rockfish	Sablefish	Other
Sideboard exempt	2003	14	14	9	11	11	8	11
	2004	14	14	8	11	9	5	9
	2005	14	14	11	14	9	3	14
	2006	11	11	8	11	10	1	11
	2007	12	12	10	12	9	4	12
	2008	12	12	9	12	11	1	12
	2009	13	13	9	13	10	0	13
	2010	14	14	8	13	8	0	13
	2011	15	15	14	14	13	1	14
Non-exempt vessels	2003	21	22	17	20	15	15	18
	2004	21	21	20	21	18	7	20
	2005	22	22	18	21	14	11	21
	2006	22	22	19	20	17	12	18
	2007	21	22	18	20	18	16	18
	2008	21	22	13	21	14	4	19
	2009	21	22	14	20	16	2	18
	2010	21	21	14	21	17	3	17
	2011	20	20	15	20	18	5	20

Source: RAM LLP file, AK vessel fine, AK Region Sources, and Blend data

Table 1-19 Catch (mt) of sideboard-exempt and non-exempt AFA GOA-endorsed catcher vessels in the BSAI by species from 2003 through 2011

AFA CV type	Year	Pollock	Pacific cod	Atka mackerel	Flatfish	Rockfish	Sablefish	Other
Sideboard exempt	2003	31,267	1,305	8	23	5	0	25
	2004	28,625	520	34	29	126	6	4
	2005	26,344	766	34	41	9	*	8
	2006	16,129	640	28	42	3	*	16
	2007	22,725	1,153	1	342	3	0	12
	2008	15,424	1,280	2	38	4	*	9
	2009	14,965	804	1	250	4	0	42
	2010	13,578	1,087	3	125	13	0	53
	2011	22,523	1,738	337	75	16	*	31
Non-exempt vessels	2003	109,167	16,014	118	173	54	2	139
	2004	118,760	17,194	84	190	27	1	71
	2005	131,584	14,784	96	236	81	3	122
	2006	131,329	15,215	82	526	120	2	123
	2007	121,893	13,713	29	754	60	1	129
	2008	83,151	11,869	4	658	51	0	348
	2009	70,576	12,792	5	1,206	44	*	160
	2010	73,674	9,496	39	535	42	*	162
	2011	114,658	12,428	197	782	54	0	92

Source: RAM LLP file, AK vessel fine, AK Region Sources, and Blend data

\*Withheld for confidentiality

In the Central GOA, the pollock fishery was also the primary fishery with 14 GOA sideboard-exempt vessels retaining 22,312 metric tons in 2011 (Table 1-20 and Table 1-21). However, in the GOA unlike the BSAI, these GOA sideboard-exempt vessels are much more active in other fisheries like Pacific cod, flatfish and rockfish fisheries. For example, 15 GOA sideboard-exempt vessels retained 4,583 metric tons of Pacific cod and 5,917 metric tons of flatfish, while 14 vessels retained 3,318 metric tons of rockfish.

As for the Western GOA, very few GOA sideboard-exempt vessels participate in this area's groundfish fisheries. For example, only two GOA sideboard-exempt vessels participated in the pollock fishery, the Pacific cod fishery, and the flatfish fishery in 2011. Due to the limited number of GOA sideboard vessels participating in the Western GOA groundfish fisheries, all of the retained catch data are confidential, so the data are not provided in the analysis.

Table 1-20 Number of AFA catcher vessels that are exempt from GOA sideboards active in the Central GOA by species from 2003 through 2011

Year	Pollock	Pacific cod	Atka mackeral	Flatfish	Rockfish	Sablefish
2003	15	14	5	15	15	12
2004	15	15	5	15	13	13
2005	15	15	6	15	15	15
2006	14	14	7	14	14	14
2007	14	14	10	14	14	13
2008	14	14	6	14	14	13
2009	14	14	8	14	13	13
2010	14	14	12	14	14	14
2011	14	15	9	15	14	11

Source: RAM LLP file, AK Vessel file, AK Region Sources, and Blend data

Table 1-21 Retained catch (mt) for AFA catcher vessels that are exempt from GOA groundfish sideboard limit by Central GOA species from 2003 through 2011

Year	Pollock	Pacific cod	Atka mackeral	Flatfish	Rockfish	Sablefish
2003	12,294	4,767	4	1,547	3,463	201
2004	14,198	4,896	1	1,709	3,156	181
2005	15,792	3,115	1	3,230	2,809	170
2006	16,744	1,977	14	5,882	2,702	148
2007	14,736	1,548	4	4,636	3,716	218
2008	15,339	3,627	0	7,376	3,298	182
2009	8,782	2,323	2	5,181	3,045	171
2010	18,584	5,830	1	4,377	3,760	175
2011	22,312	4,583	1	5,917	3,318	191

Source: RAM LLP file, AK Vessel file, AK Region Sources, and Blend data

Table 1-22 Number of AFA catcher vessels that are exempt from GOA sideboards active in the Western GOA by species from 2003 through 2011

Year	Pollock	Pacific cod	Flatfish	Rockfish
2003	1	1	1	1
2004	1	1	1	0
2005	1	1	1	1
2006	2	2	2	1
2007	2	2	2	1

Source: RAM LLP file, AK Vessel file, AK Region Sources, and Blend data

The final set of tables provides gross exvessel value of the 2011 BSAI and Central GOA catch for the AFA GOA sideboard-exempt vessels (Table 1-23 and Table 1-24). Note that the gross exvessel value for the Western GOA is not provided due to the limited number of GOA sideboard-exempt vessels that participated in that fishery. From the perspective of gross exvessel value, the pollock fisheries in both BSAI and Central GOA are the primary fisheries for the GOA sideboard-exempt vessels. In the BSAI, the gross exvessel value of the pollock fishery was \$6.1 million in 2011 and the value in the Central GOA during the same period was \$7.5 million. Other fisheries with significant value during 2011 were the Central GOA Pacific cod fishery at \$3.1, sablefish at \$1.6 million, flatfish at \$1.2 million, and rockfish at \$1.1 million.

Table 1-23 Exvessel revenue by species in the BSAI for the AFA GOA sideboard-exempt vessels from 2003 through 2011 (\$thousand)

Year	Pollock	Pacific cod	Atka mackerel	Flatfish	Rockfish	Sablefish
2003	7,363	738	1	1	0	1
2004	6,757	214	2	1	0	3
2005	6,485	346	1	2	1	0
2006	4,468	1,064	1	1	0	*
2007	6,120	1,261	0	102	0	0
2008	6,552	1,573	0	1	0	*
2009	5,967	376	0	8	0	0
2010	4,835	506	0	5	0	0
2011	6,076	979	50	3	1	*

Source: ADF&G Fish Tickets

\* Withheld for confidentiality

Table 1-24 Exvessel revenue by species in the Central GOA for the AFA GOA sideboard-exempt vessels from 2003 through 2011 (\$thousand)

Year	Pollock	Pacific cod	Atka mackerel	Flatfish	Rockfish	Sablefish
2003	2,464	3,298	0	254	445	738
2004	3,343	2,746	0	204	425	563
2005	4,674	1,959	0	539	640	545
2006	5,006	1,755	1	1,501	932	577
2007	3,522	1,600	0	1,378	1,303	827
2008	5,600	4,066	0	1,850	1,222	801
2009	3,155	1,392	0	1,240	556	777
2010	7,201	3,081	0	883	987	1,097
2011	7,503	3,117	0	1,243	1,091	1,631

Source: ADF&G Fish Tickets

## 1.9.2 AFA Catcher/processor Sector

AFA specifically lists 20 catcher/processors eligible to participate in the offshore fisheries as well as 7 catcher vessels eligible to fish and deliver a suballocation to 7 eligible catcher/processors. In addition, one additional “head-and-gut” catcher/processor met the requirements in the AFA that allows it to harvest and process up to 0.5% of the directed BSAI pollock allocation to catcher/processors. Of the 21 AFA qualified catcher/processors, 17 vessels actively fished in 2011, as determined by landing targeted and processed pollock by a vessel holding an AFA permit (Table 1-25). The 20 AFA listed catcher/processors are restricted from harvesting any GOA fish. However, the one catcher/processor that met the requirements in the AFA, but was not listed in the AFA, is eligible to participate in the GOA and has a Western GOA endorsement. The owner of that vessel would be restricted to the MLOA of the LLP license that authorizes fishing in the GOA if the owner wants to replace or rebuild the vessel and continue to fish in the GOA. As noted in Table 1-25, the vessels in this sector range in length from 190 feet to 379 feet length overall. Table 1-26 shows the age of vessels in the AFA catcher/processor fleet. Most of the vessels were built in the 1970s and 1980s, but three were built in the 1960s and one was built in 1942.



Table 1-25 Number of active AFA catcher/processors in 2011 by vessel length with GOA area endorsements <sup>50</sup>

Vessel length (feet)	Number of active CP eligible vessels	Number of active CP eligible vessels with WGOA endorsement
190-199	1	1
200-209	1	0
240-249	1	0
250-259	1	0
260-269	1	0
270-279	4	0
280-289	1	0
290-299	1	0
300-309	1	0
330-339	2	0
340-349	2	0
370-379	1	0
<b>Grand Total</b>	<b>17</b>	<b>1</b>

Source: RAM LLP file, AK Vessel file, AK Region Sources, and Blend data  
Table from AFA\_Active(08-14)

Table 1-26 Number of active AFA catcher/processors in 2011 by year vessel was built <sup>51</sup>

Year	Number of active CPs eligible vesels by year vessel was built
1942	1
1961	1
1966	1
1969	2
1973	2
1974	3
1977	1
1979	1
1981	2
1983	1
1984	1
1989	1
<b>Grand Total</b>	<b>17</b>

Source: RAM LLP file, AK Vessel file, AK Region Sources, and Blend data  
Table from AFA\_Active(08-14)

Separate allocations of the Bering Sea pollock TAC are made annually to the offshore catcher/processor sector. These sector allocations of pollock are not further subdivided by NMFS among the vessels or companies participating in this sector. However, through formation of cooperatives and under private contractual arrangement, participants in the offshore catcher/processor sector further subdivide their respective pollock

<sup>50</sup> Twenty-one vessels have AFA catcher/processors permits. AFA-permitted vessels 2000 – 2013: <https://alaskafisheries.noaa.gov/ram/afa/htm>. Four of these catcher/processors have been inactive since at least 2011. Personal communication (email) from Mary Furuness, Inseason Management Branch, Sustainable Fisheries Division, NMFS Alaska Region (Oct. 23, 2013). These vessels also range in length between 190 and 379 feet. NOAA Fisheries, Vessel Documentation Search by ID: [www.st.nmfs.noaa.gov/st1/Coastguard/VesselByID.html](http://www.st.nmfs.noaa.gov/st1/Coastguard/VesselByID.html).

<sup>51</sup> The four inactive AFA catcher/processors were built in 1976, 1978, 1978 and 1987. NOAA Fisheries, Vessel Documentation Search by ID: [www.st.nmfs.noaa.gov/st1/Coastguard/VesselByID.html](http://www.st.nmfs.noaa.gov/st1/Coastguard/VesselByID.html).

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allocations among the participants in their sector. The purpose of these cooperatives is to manage the allocations made under the cooperative agreements to ensure that individual vessels and companies do not harvest more than their agreed upon share. The cooperatives also facilitate transfers of pollock among the cooperative members, enforcement of contract provisions, and participate in the voluntary rolling hotspot system inter-cooperative agreement.

Two fishery cooperatives are authorized by the AFA to form in the offshore catcher/processor sector and the offshore catcher vessels sector. A single cooperative may form that includes both catcher/processers and named offshore catcher vessels delivering to catcher/processers, or the catcher/processor and catcher vessel may form separate cooperatives and enter into an inter-cooperative agreement to govern fishing for pollock in the offshore catcher/processor sector. The offshore catcher/processor sector elected to form two cooperatives. The Pollock Conservation Cooperative (PCC) was formed in 1999 and is made up of nineteen catcher/processers that divide the sector's overall pollock allocation.

The High Seas Catchers' Cooperative (HSCC) consists of seven catcher vessels that formerly delivered pollock to catcher/processers. These catcher vessels must either deliver to the PCC or lease their allocation to the PCC. The HSCC has elected to lease its pollock allocation to the PCC.

All vessels in this sector use pelagic trawls, with the catcher/processers generally using larger gear than many catcher vessels. Fishing operations are the same as for the catcher vessels, with the catch loaded into bins below deck. On catcher/processers, the fish are then put through various processing lines (depending on product choices), frozen, boxed, and stored in the freezer compartment until the vessel is offloaded days or weeks later. Catcher/processers generally fish in the area north of Unimak Island during the A-season and from areas south of St. George Island northward during the B-season.

### **BSAI sideboards**

As noted in Section 1.9.1, the Council developed a variety of sideboards to prevent AFA vessels from increasing their catch in other fisheries. Sideboard limits do not guarantee the AFA catcher/processor sector any amount of groundfish TAC. If other sectors take the available TAC before the sideboard limit is taken, both the sideboard fishery and the directed fishery will be closed to directed fishing. If the AFA catcher/processers reach their sideboard limit before the TAC is taken, the sideboard fishery would be closed to directed fishing, but the remainder of the fleet may continue to fish under the remaining TAC.

AFA catcher/processers named in the AFA are prohibited from harvesting any fish in the GOA,<sup>52</sup> so there are only BSAI sideboards for this fleet. Of the BSAI groundfish fisheries, only pollock and Pacific cod are not restricted by sideboard limits. Table 1-27 shows the sideboard limits in 2011. Only the Atka mackerel sideboard fishery was open during that year, but no catch was reported. For yellowfin sole in 2011, there was no sideboard limit. The yellowfin sole sideboard limit is based on the aggregate ITAC assigned to Amendment 80 sector and BSAI trawl limited access sector. If the aggregate ITAC is greater than or equal to 125,000 mt, there is no sideboard limit for that year. Table 1-28 provides the 2011 BSAI PSC sideboard limits for the AFA listed catcher/processers.

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<sup>52</sup> AFA, section 211(b)(4). One catcher/processor vessel met the requirements of the AFA but was not listed in the AFA. That vessel is eligible to participate in GOA.

Table 1-27 2011 listed BSAI AFA catcher/processor groundfish sideboard limits (mt)

Target Species	Area/season	2011 ITAC available to trawl C/Ps <sup>1</sup> (mt)	2011 AFA C/P sideboard limit (mt)	2011 AFA C/P Sideboard usage (mt)
Sablefish trawl	BS	1,211	19	Closed to directed fishing
	AI	404	0	Closed to directed fishing
Atka mackerel	Central AI A season <sup>2</sup>	5,037	579	0
	Central AI B season <sup>2</sup>	5,037	579	0
	Western AI A season <sup>2</sup>	670	134	0
	Western AI B season <sup>2</sup>	670	134	0
Rock sole	BSAI	75,905	2,808	Closed to directed fishing
Greenland turbot	BS	2,975	21	Closed to directed fishing
	AI	1,318	7	Closed to directed fishing
Arrowtooth flounder	BSAI	22,015	44	Closed to directed fishing
Kamchatka flounder	BSAI	15,045	30	Closed to directed fishing
Flathead sole	BSAI	37,102	1,336	Closed to directed fishing
Alaska plaice	BSAI	13,600	14	Closed to directed fishing
Other flatfish	BSAI	2,550	148	Closed to directed fishing
Pacific ocean perch	BS	4,854	10	Closed to directed fishing
	Eastern AI	5,054	101	Closed to directed fishing
	Central AI	4,429	4	Closed to directed fishing
	Western AI	7,474	30	Closed to directed fishing
Northern rockfish	BSAI	4,000	28	Closed to directed fishing
Shortraker rockfish	BSAI	393	7	Closed to directed fishing
Rougheye rockfish	EBS/EAI	234	4	Closed to directed fishing
	CAI/WAI	220	4	Closed to directed fishing
Other rockfish	BS	500	15	Closed to directed fishing
	AI	425	11	Closed to directed fishing
Squids	BSAI	361	8	Closed to directed fishing
Skates	BSAI	14,025	112	Closed to directed fishing
Sharks	BSAI	43	0	Closed to directed fishing
Octopuses	BSAI	128	1	Closed to directed fishing
Sculpins	BSAI	4,420	35	Closed to directed fishing

<sup>1</sup> Aleutian Islands Pacific ocean perch, and BSAI Atka mackerel, flathead sole, rock sole, yellow fin sole are multiplied by the remainder of the TAC after the subtraction of the CDQ reserve.

<sup>2</sup> The seasonal apportionment of Atka mackerel in the open access fishery is 50 percent in the A season and 50 percent in the B season. Listed AFA catcher/processors are limited to harvesting no more than zero in the Eastern Aleutian District and Bering Sea subarea, 20 percent of the annual ITAC specified for the Western Aleutian District, and 11.5 percent of the annual ITAC specified for the Central Aleutian District.

Note: AFA catcher processors are not subject to a sideboard limit for yellow fin sole in the BSAI during the year if the aggregate ITAC of yellow fin sole assigned to the Amendment 80 sector and BSAI trawl I limited access sector is greater than or equal to 125,000 mt.

Table 1-28 2011 BSAI AFA listed catcher/processor prohibited species sideboard limits<sup>1</sup>

PSC species and area <sup>1</sup>	2011 PSC available to trawl vessels after subtraction of PSQ <sup>2</sup>	2011 catcher/processor sideboard limit <sup>2</sup>
Halibut mortality BSAI	n/a	286
Red king crab Zone 1	175,921	1,231
<i>C. opilio</i> (COBLZ)	7,421,259	1,135,453
<i>C. bairdi</i> Zone 1	741,190	103,767
<i>C. bairdi</i> Zone 2	2,250,360	112,518

<sup>1</sup> Refer to § 679.2 for definitions of areas.

<sup>2</sup> Halibut amounts are in metric tons of halibut mortality. Crab amounts are in numbers of animals.

### **AFA catcher/processor participation and catch**

Table 1-29 and Table 1-30 show vessel count and retained catch in the BSAI groundfish fisheries for the AFA catcher/processor sector. Of the many groundfish species, the pollock fishery was the primary fishery for the catcher/processor fleet. In 2011, 17 catcher/processors retained 542,835 mt of pollock. After the pollock fishery, the flatfish fishery, specifically the yellowfin sole fishery, and the Pacific cod fishery are the next

significant fisheries for the AFA catcher/processor fleet. In 2011, 17 catcher/processors retained 52,683 mt of flatfish, while 17 catcher/processors retained 8,909 mt of Pacific cod. Other than pollock, Pacific cod, yellowfin sole, and Atka mackerel all other groundfish fisheries are closed to directed fishing for nearly all AFA catcher/processors due to insufficient sideboard limits, so any reported retained catch is from CDQ fisheries. One AFA catcher/processor is exempt from BSAI sideboard limits, so that vessels catch could also be included in the reported retained catch.

Table 1-29 Number of AFA catcher/processors operating in the BSAI with retained catch by species from 2003 through 2011

Year	Pollock	Pacific cod	Atka mackerel	Flatfish	Rockfish	Sablefish
2003	18	18	15	18	17	11
2004	18	18	13	17	15	10
2005	18	18	13	17	15	5
2006	18	18	9	16	13	11
2007	18	18	13	16	16	12
2008	17	18	10	16	17	8
2009	16	16	10	14	12	3
2010	16	16	10	16	14	1
2011	17	17	12	17	15	2

Source: RAM LLP file, AK Vessel file, AK Region Sources, and Blend data

Table 1-30 Retained catch (mt) by AFA catcher/processors by BSAI species from 2003 through 2011

Year	Pollock	Pacific cod	Atka mackerel	Flatfish	Rockfish	Sablefish
2003	651,452	5,806	3,511	12,204	1,909	19
2004	648,831	5,858	3,453	13,030	1,696	5
2005	652,861	7,213	3,789	18,839	1,593	34
2006	664,414	8,421	3,508	23,067	1,805	22
2007	609,998	7,249	1,353	31,954	2,444	14
2008	441,492	6,108	5,114	28,461	2,334	5
2009	353,387	6,368	5,586	24,943	1,898	4
2010	365,397	5,694	6,670	37,243	2,689	*
2011	542,835	8,909	3,388	52,683	2,648	*

Source: RAM LLP file, AK Vessel file, AK Region Sources, and Blend data

\* Withheld for confidentiality

The AFA catcher/processor fleet is also sideboarded by prohibited species catch (PSC) limited amounts, based on the percentage of PSC limits used from 1995 through 1997. Specifically, AFA catcher/processors are capped at 8.4% of the halibut PSC, 15.3% of the *opilio* PSC, 14% of the *bairdi* in Zone 1, and 5% of the Zone 2 *bairdi* crab PSC each year. Table 1-31 provides annual PSC usage for halibut, crab, and salmon in the BSAI from 2003 through 2011. Western GOA PSC usage for the one authorized AFA catcher/processor is not reported since the data are confidential. Note, like the AFA catcher vessels, the PSC of Chinook salmon and chum salmon has been a major issue for the sector, and numerous regulations and voluntary measures have been implemented over the years to minimize salmon PSC in pollock fisheries.

Table 1-31 AFA catcher/processor crab, halibut, and salmon PSC in the BSAI GOA from 2003 through 2011

Year	BSAI		
	Crab <sup>1</sup>	Halibut <sup>2</sup>	Salmon <sup>3</sup>
2003	216,859	154	39,900
2004	292,398	156	98,945
2005	445,461	182	82,762
2006	268,493	289	39,520
2007	700,125	399	65,691
2008	288,791	405	7,511
2009	214,450	487	7,692
2010	1,810,278	249	6,388
2011	431,808	451	52,644
<sup>1</sup> Number of animals			
<sup>2</sup> Metric tons			
<sup>3</sup> Number of animals			

The first wholesale value of the sector's primary target, pollock in the BSAI was \$494.9 million in 2011, which was the highest over the past five years. This was an increase of \$106 million from 2010. Next was the flatfish fishery, which was valued at \$38 million in 2011. This was followed by Pacific cod at \$5.8 million and rockfish at \$5.4 million.

Fillets were the primary product, accounting for 43% of these revenues. Surimi was the second most valuable product, followed by roe. Roe was valued at \$52 million in 2010 for the sector

Table 1-32 First wholesale gross value by species in the BSAI for the AFA catcher/processors from 2003 through 2011 (\$thousand)

Year	Pollock	Pacific cod	Atka mackerel	Flatfish	Rockfish	Sablefish
2003	298,716	2,287	2,365	5,401	1,047	37
2004	315,167	3,601	1,989	7,456	1,391	75
2005	391,381	4,990	3,154	16,445	1,789	120
2006	422,124	7,260	2,327	17,695	2,834	52
2007	429,252	6,928	870	22,401	1,682	33
2008	464,117	5,092	5,716	18,866	2,298	12
2009	344,938	3,830	6,636	14,409	2,143	23
2010	388,524	2,823	7,884	21,751	2,953	4
2011	494,892	5,800	5,165	38,046	5,415	12
Source: Weekly processor reports						

### 1.9.3 AFA Motherships

Motherships are defined as vessels that process, but do not harvest, fish. Three motherships are eligible to participate in the BSAI pollock fishery. These vessels range in length from 305 feet to 688 feet LOA. The first vessel entered the North Pacific fisheries in 1985, the second entered in 1989, and the third entered in 1990. These times correspond to the period when the U.S. pollock industry was rapidly expanding to displace the foreign owned harvesters and processors.

Motherships contract with a fleet of catcher vessels that deliver raw fish to them. There are 19 AFA catcher vessels permitted to make BSAI pollock deliveries to these motherships. These catcher vessels tend to be smaller than catcher vessels designed to deliver to the inshore sector. That is because they transfer codends to

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the motherships at sea and do not store pollock onboard in refrigerated seawater fish holds. Fourteen of these catcher vessels are ‘dual qualified’ for both the mothership and inshore fleets.

The AFA requires a “cooperative of the whole” for the mothership sector, rather than separate and distinct cooperatives oriented to each processor within the sectors, as is the case in the inshore sector. The AFA also provides an exemption to the Sherman Anti-Trust Act for the three AFA-qualified mothership processors, allowing them to participate as members of the cooperative if at least eight percent of the eligible catcher vessels are members of the cooperative. To date however, the motherships have elected not be part of the Mothership Fleet Cooperative. All nineteen of the vessels qualified to participate in the mothership sector are members of the Mothership Fleet Cooperative. Only 14 of the 19 vessels belonging to the Mothership Fleet Cooperative participated in the Alaska groundfish fisheries in 2011. A description of mothership catcher vessel activity was included with the description of AFA catcher vessels.

The Mothership Fleet Cooperative is a signatory to the 2011 Inter-cooperative Agreement, the Cod Allocation Agreement, and the Salmon Bycatch Management Agreement. These contracts establish the rules by which all of the cooperatives jointly manage pollock harvest limits and non-pollock groundfish sideboards, prohibited species sideboards, and salmon PSC (prohibited species catch) avoidance measures.

Motherships are heavily dependent on BS pollock for most of their income, but these vessels do participate in the non-tribal and tribal Pacific whiting fisheries. In 2011, all three motherships were active in the BSAI, while one of the motherships was active in the GOA. Since there are only three AFA motherships, information concerning production history is confidential for these vessels. However, the 2011 Mothership Fleet Cooperative report notes that 99.37% of the 2011 BS pollock quota assigned to the mothership eligible catcher vessels was harvested. In the BSAI Pacific cod fishery, three mothership qualified catcher vessels harvested 1,666 mt.

## **1.10 Description of Community Conditions**

Any effects of this action will be most apparent in four communities: Kodiak, Unalaska, King Cove, and Sand Point. Seattle is also an important community, since AFA catcher/processors generally homeport there, but the economic importance and associated effects of these fisheries are largely overshadowed by both the large fishing and processing industry in Seattle, and the N.W. Washington regional economy, as a whole. Distilling effects of AFA vessel replacement on the greater Seattle metropolitan economy is impractical. Therefore, the dependent community information will focus on Unalaska, Kodiak, Sand Point, and King Cove. The following profiles are generally summarized from previously published profiles prepared by EDAW with Northern Economics in March, 2005, titled “Comprehensive Baseline Commercial Fishing Community Profiles: Unalaska, Akutan, King Cove, and Kodiak Alaska”.

### **Kodiak**

Kodiak is a first class city in the Kodiak Island Borough. Although Kodiak has a diversified economy, its identity is that of a fishing community. Its vessels and processing plants are diversified, participating in a variety of GOA and Bering Sea fisheries. Kodiak is the dominant port for landings from the Central GOA groundfish fisheries. In 2011, nine AFA catcher vessels hailed from Kodiak, with the large number of other AFA catcher vessels spending substantial time in the community during the pollock, Pacific cod, and other Central GOA groundfish trawl fisheries. Approximately 6 or 7 Kodiak processors compete for and process the large majority of the landings from the fishery. Kodiak is also home to the largest and most diverse fishery support sector in Alaska. These businesses serve all of the fleets home ported in Kodiak and that deliver to Kodiak processors.

Processors are among the largest employers in Kodiak and are known to support a year-round resident workforce. This workforce is supplemented in peak seasons with labor from outside the community. Although the AFA groundfish fisheries are a secondary importance in value to species such as salmon and halibut, it is

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among the largest in volume species processed in the community. Similarly, the AFA catcher vessel fleet has relatively few vessels when compared to the larger Kodiak fleets that participate in the halibut, salmon, and cod fisheries. The AFA groundfish fisheries, however, are an important component of the annual operations of both its fleets and processors. The A and C seasons occur during busy periods of groundfish and salmon processing, respectively. The B and D seasons, however, fall during slower periods and fill gaps in activities at the plants.

## **Unalaska**

Unalaska was incorporated as a First Class City in 1942. Uniquely positioned with respect to the BSAI fisheries, it is the site of both the most intense direct and indirect fishing economic sector activity among all the communities in the region. More BSAI crab and groundfish are processed in Unalaska than in other port, and the support service sector is developed to a greater degree in Unalaska than in any other community on the Bering Sea. As a result, Unalaska is a community whose economy is strongly tied to Bering Sea commercial fisheries in general, as well as to several individual fisheries.

The commercial fishery provides a very large component of the employment base in Unalaska. About half of the Unalaska labor force is employed by the seafood industry, and 90 percent of the workers consider themselves dependent on the seafood industry. The vast majority of the fish landed in Unalaska both in terms of volume and value are landed by vessels from outside the community. Unalaska is at once both an industrial-scale fishing community and a small boat fleet town. It is home to a greater concentration of processing and catcher vessel activity than other Alaska community, but its residential fleet is much smaller than the fleets of some other fishing communities with much smaller populations within the same region (e.g., King Cove and Sand Point). Local vessels do not participate in the pollock fishery, but they do participate in the local cod, halibut, and crab fisheries on a small scale.

Ownership patterns of the large catcher vessels have been changing over the years. Within the pollock fishery, one trend has been the increase in ownership and/or control of pollock harvest vessels by the shoreplants in Unalaska. Prior to this trend, it was accurate to say that no permanent residents of Unalaska were involved in the pollock fishery as vessel owners, nor was any vessels based out of Unalaska in the sense of being the community of residence of the skipper and crew. While it is still true to say that no independent fishermen who are permanent residents of the community own pollock harvesting vessels, some pollock harvesting vessels are now owned (partially or wholly) by economic entities based in the community (or, given the complex nature of corporate relationships and/or restrictions on foreign ownership of the fleet, by entities with close relationships with entities based in the community). This continuing trend in ownership patterns, while it may have shifted where vessels are based or, perhaps more importantly from an economic perspective, spend more of the year, it is still the case that very few, if any, permanent residents of the community work on pollock harvesting vessels.

The processing plants that operate in Unalaska can be grouped into four different categories: the three large multi-species plants, a relatively large crab-focused operation, a mobile processor operator, and two small specialty processors. All of the large multi-species plants are AFA-qualified groundfish plants, and all process a wide range of species.

## **King Cove**

King Cove is a first class city within the organized Aleutians East Borough. The city has a single processor (Peter Pan Seafoods). Although the community initially engaged primarily in local commercial salmon fisheries, over time activities have diversified into GOA and Bering Sea groundfish fisheries and Bering Sea crab fisheries.

The King Cove processor is known as a diversified plant that supports operations in all available fisheries. As a consequence of its diversity, the plant's dependence on the different species varies with performance of the fisheries in general. Although specific data cannot be released for the plant, Western GOA pollock is one of

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the many fisheries from which the plant draws landings. In the Western Gulf pollock fishery, the King Cove plant relies on tenders for deliveries from distant grounds. The use of tenders allows participants to make more deliveries and save on fuel costs that would be associated with steaming to and from fishing grounds. The processing window in the fishery is largely dictated by the scheduled seasonal openings, but in at least one recent season, participants agreed to delay fishing to allow some of the vessels to participate in the cod fishery. Employment at the plant is primarily transient workers who come to King Cove to work at the plant. A few of these workers have relocated their families to the community, but the large majority of plant employees are not King Cove residents.

The community has a variety of fisheries support services, some of which are connected with the processing plant to some degree. Almost all of the private businesses in the community are largely dependent on fisheries. Consequently, any changes in fisheries performance may be anticipated to be distributed throughout the community.

### **Sand Point**

Sand Point is also a first class city located in Aleutians East Borough. Sand Point's economy is almost exclusively dependent on fisheries, as the community is home to a fleet that participates in local fisheries. Almost all local vessels are less than 60 feet in length to allow their participation in state fisheries that limit entry based on vessel length. Local vessels provide benefits to communities, not only through their owners' revenues, but also through deliveries to the local processing plant, employment of local crews, and the use of local support services.

The local plant, operated by Trident Seafoods, processes primarily groundfish. The plant experiences peak production during the first few months of the year and again through the summer months. The plant uses a primarily transient labor force, employing few locals. The plant is the primary provider of fishery support services in the community and often provides fuel and basic support to vessels. Some local residents also provide some services.

## **1.11 Potential Effects of the Alternatives**

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

### **1.11.1 Alternative 1: No action**

Under Alternative 1 (no action), AFA vessel replacement would be based on the original AFA provisions, which is not compliant with the Coast Guard Act. An AFA vessel could only be replaced in the event of a total or constructive loss of the vessel, and the replacement vessel would be subject to limitations on vessel length, gross tons, and shaft horsepower (see Section 1.3.1 for greater detail). In addition, replacement vessels are limited by the MLOA of the LLP license assigned to the replacement vessel and replacement vessels are also limited by the "large vessel" restrictions of the AFA. The intent of limiting vessel replacement to only total or constructive loss and limits on the size of the replacement vessel rather than a more liberal vessel replacement provisions was to stabilize fishing and processing capacity in the BS pollock fishery.



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The AFA was adopted in 1998 and NMFS issued final AFA permits in 2001 to 112 catcher vessels.<sup>53</sup> From 2001 to 2010, only two out of 112 AFA catcher vessels were replaced, while none of the 21 eligible AFA catcher/processors or 3 motherships were replaced.<sup>54</sup> In the two cases of the replacement of catcher vessels, the replaced vessels sank and were replaced by existing AFA vessels. The first replacement of a catcher vessel occurred in 2004. The second occurred in 2010. Since this alternative only allows for replacement due to a total or constructive loss, vessel owners cannot replace vessels as needed to improve the safety and operational efficiency of existing vessels. The following sections describe the effects of this alternative with respect to production efficiency, economic spillover, safety, and community.

### ***Production Efficiency***

In general, limitations on vessel replacement provisions constrain the economic feasibility of rebuilding and replacing vessels in the AFA sectors. One of the primary advantages of replacing a fishing vessel is to incorporate improved hull design, engine efficiency, hold design, processing plant efficiency, and other advancements in marine design. Limiting vessel replacement in this alternative relative to Alternative 2 inhibits owners from taking advantage of these improvements. Many of the existing AFA vessels were not originally constructed as fishing vessels, but were converted to such use. Inherently, these vessels are less well designed for fishing compared to a newly constructed fishing vessel. By improving efficiency, vessel owners have the potential to reduce costs of production. In addition, liberalized vessel replacement rules for vessel owners may also provide opportunities to increase revenue through better use of catch.

Restricting vessel replacement to total or constructive loss also has the potential to increase financial hardship, since a loss of an AFA vessel is sudden and unanticipated event. AFA vessel owners may face a multi-year gap between the loss of a vessel and the activation of its replacement, particularly if the replacement vessel must be built first. A lengthy gap could severely undermine the financial solvency of a company, particularly companies owning one vessel. Companies with more than one vessel can assign other vessels to harvest additional catch to compensate for the loss of vessel. A single vessel company could arrange to have another company harvest the vessel's pollock catch. However, the financial terms of such an arrangement could be unfavorable, particularly if a company is unable to replace a vessel relatively quickly.

### ***Economic spillover and redistribution***

Since this alternative, relative to Alternative 2, would limit AFA vessel owners to replacing their vessels only in the event of a total or constructive loss of the vessel, and would limit the vessel size of the replacement vessel, there is less potential for replacement vessels to negatively impact other GOA groundfish participants. As seen in Table 1-40 and Table 1-41, there are a number of non-AFA vessels active in the GOA groundfish fisheries. Recognizing the need to protect these non-AFA vessels from adverse impacts caused by AFA, sideboard limits were established for most AFA catcher vessels participating in the GOA groundfish fisheries. Relative to those GOA sideboard limits, the AFA non-exempt vessels have harvested significantly less than the limit allows for most GOA fisheries (Table 1-42, Table 1-43, and Table 1-46). The exvessel value of GOA groundfish sideboard fisheries from 2007 through 2011 amounted to \$8.6 million for Central GOA and \$3.4 million for the Western GOA (Table 1-48). The limited effort in the GOA groundfish fisheries by AFA non-exempt vessels is likely due to the BS pollock fishery. Over the period 2007 through 2011, the GOA sideboard limited vessels harvested 204,267 mt of BS pollock worth \$73.4 million in exvessel revenue and 21,418 mt of BSAI Pacific cod worth \$16.2 million in exvessel revenue.

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<sup>53</sup> Two AFA catcher vessels sank before 2001: the *Pacific Alliance* and the *Ocean Hope I*. Therefore two AFA catcher vessels entered the AFA fishery as replacement vessels. The *Morning Star*, USCG 618797, was a replacement vessel for the *Pacific Alliance*; the *Morning Star*, USCG 1037811, was a replacement vessel for *Ocean Hope I*. AFA-permitted vessels in 2001: <https://alaskafisheries.noaa.gov/ram/afa/htm>.

<sup>54</sup> No catcher/processor or mothership has been replaced since adoption of the AFA. AFA-permitted catcher/processors and mothership vessels from 2000 (interim permits) and 2001 to 2013: <https://alaskafisheries.noaa.gov/ram/afa/htm>.

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AFA GOA exempt vessels also participate in the GOA groundfish fisheries. From 2007 through 2011, 15 of the 17 eligible GOA exempt vessels participated in both BS pollock fishery and the GOA groundfish fisheries (Table 1-50). Of their annual BS pollock allocation, the AFA GOA exempt vessels harvested on average 75.4% of their allocation. In the GOA, the GOA exempt AFA vessels harvested between 13% and 18% of the total GOA groundfish catch by all vessels during the 2007 through 2011 period. Comparing exvessel revenue between the BSAI and GOA fisheries, the BS pollock ranged in value from \$4.8 million to \$6.5 million annually during the 2007 through 2011 period, while GOA groundfish exvessel revenue ranged from \$7 million to \$14.6 million annually during this same period.

In summary, continued restrictions on vessel replacement for AFA vessels will likely perpetuate similar fishing behavior of AFA sideboard limited vessels and AFA GOA exempt vessels in both BSAI and GOA groundfish fisheries. From the perspective of non-AFA vessels, the likely continued fishing behavior under this alternative would provide continued harvesting opportunities for non-AFA vessels in the GOA groundfish fisheries.

### *Safety*

The average age of the AFA catcher vessel fleet is 34 years. While there is not a significant amount of scientific research on relationships between marine causality incidents and vessel age, there are a few studies that did find an association with vessel age and the probability of a negative safety event. The first study reviewed USCG accident investigations from 1991 through 2001 of non-fatal crew injuries, fatal crew injuries, and missing crew incidents on freight ship, tankers, and tugboat vessels. Authors found that fatal injuries on freight ships increased with vessel age.<sup>55</sup> Another study from the British Shipbuilders Technology Department concluded that in general, a positive relationship exists between ship casualty rates and ship age.<sup>56</sup> Only one study was found that looked at the issue of age as a predictor for vessel losses and fatalities in the commercial fishing fleet. The authors found that an increase in vessel age increases the probability of a total loss due to a collision, fire/explosion, material/equipment failure, capsizing, and sinking.<sup>57</sup>

### *Community*

It is not clear that this alternative would result in changes in the total amount of time vessels spend in port, the amount of provisions purchased, or other factors that may affect communities' economic and social welfare.

## **1.11.2 Alternative 2: Status quo**

### **Alternative 2 – (Preferred Alternative)**

Alternative 2 is the status quo alternative. The status quo alternative is how NMFS interprets the AFA, as amended by the Coast Guard Act, and how NMFS will implement the amendments to the AFA through regulation, if the Council does not adopt any of the options 2.1 through 2.4. This alternative would allow an owner of an AFA catcher/processor, catcher vessel, or mothership to **rebuild or replace** a vessel for improved vessel safety and operational efficiencies. The AFA rebuilt or replacement vessel would be subject to no limitations on length, size, or horsepower while participating in BSAI.

**Under Alternative 2, to participate in the GOA, the AFA replacement or rebuilt vessel must have a GOA-endorsed LLP license with an MLOA that equals or exceeds the length of the replacement or rebuilt vessel at the time of GOA fishing by the rebuilt or replacement vessel.** Thus, an owner of a rebuilt or replacement vessel is not limited to the MLOA on any GOA LLP groundfish license as of any specific, past

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<sup>55</sup> Talley, WK, Jin D, Kite-Powell, H. Determinates of Crew Injuries in Vessel Accidents, Marit. Pol. Mgmt., July-Sept 2005. Vol.32. No. 3, pg. 263-278.

<sup>56</sup> Meek M, Brown WR, Fulford KG. A shipbuilders' view of safety. Marit Pol. Mgmt., 1985, Vol. 12, No. 4, pg. 251-262.

<sup>57</sup> Jin D, Kite-Powell H, Talley W. The safety of commercial fishing: Determinants of vessel total losses and injuries. Journal of Safety Research 32 (2001) 209-228.

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date, but is limited to the MLOA on the GOA LLP groundfish license on the date that the owner begins to use the AFA vessel to fish in the GOA.

Under Alternative 2, an LLP groundfish license endorsed for an area in BSAI is not relevant in determining whether any vessel, including an AFA rebuilt or replacement vessel, can participate in the GOA. As under current regulations, the relevant MLOA is the MLOA on the LLP groundfish license endorsed for an area in GOA that is assigned to the particular vessel at the time the vessel is fishing in GOA.

A replaced vessel loses its fishery endorsement and is not eligible to obtain a new fishery endorsement with one exception. A replaced AFA vessel can be used as an AFA replacement vessel. To explain, once an AFA vessel is replaced, the replaced, or former, AFA vessel would lose its fishery endorsement and NMFS would transfer the AFA permit of the replaced vessel to the replacement, or new, AFA vessel. This does not prevent the replaced or former AFA vessel from at some future date **reentering** the AFA fishery as a replacement vessel for a different vessel that leaves the AFA fishery. If a replaced or former AFA vessel reenters the AFA fishery as a replacement vessel, the owner of the vessel reentering the AFA fishery must obtain a new fishery endorsement from the United States Coast Guard and NMFS will transfer the AFA permit from the vessel leaving the AFA fishery (the replaced vessel) to the vessel entering the AFA fishery (the replacement vessel).<sup>58</sup>

Under Alternative 2, the AFA, as amended, allows owners of AFA catcher vessels that participate in an inshore cooperative to **remove** a vessel from an AFA fishery and direct NMFS to assign the directed pollock fishing allowance of the removed vessel to one or more vessels in its cooperative as selected by the vessel owner.<sup>59</sup> Those vessels selected to receive the directed pollock allowance must remain in the cooperative for a least one year after the catcher vessel is removed from the AFA fishery. The Coast Guard Act prohibits a removed catcher vessel from receiving a federal fishery endorsement, unless it reenters as a replacement AFA vessel, and except for four specific AFA catcher vessels.<sup>60</sup> If removed, these four vessels retain their eligibility to receive a fishery endorsement to participate in any fishery under the authority of the New England Fishery Management Council or the Mid-Atlantic Fishery Management Council, in accord with fishery management plans adopted by those councils under the Magnuson-Stevens Act.

All totaled, there are 109 catcher vessels, 21 catcher/processors, and 3 motherships that would be directly impacted by this alternative.<sup>61</sup> In 2011, 92 AFA trawl catcher vessels, 17 AFA catcher/processors, and 3 motherships were active in the North Pacific. Active AFA catcher vessels and catcher/processors are required to have an LLP license with appropriate operation, gear, MLOA, and area endorsement. As noted in the Table 1-33, there are 137 LLP licenses currently on AFA vessels. Thirty-one of these LLP licenses are endorsed for catcher/processors and 106 are endorsed for catcher vessels. One hundred and twenty-seven of the LLP licenses currently on AFA vessels are endorsed for BS, 70 are endorsed for the AI, 33 are endorsed for Central GOA, and 25 are endorsed for the Western GOA.

LLP licenses that were derived from an AFA vessel can only be used on AFA vessels. Ten AFA vessels, five catcher/processors, and five catcher vessels currently have LLP licenses that were not derived from AFA vessels. Since these LLP licenses were not derived from an AFA vessel, these 10 LLP licenses can be transferred to a non-AFA vessel, potentially increasing fishing pressure in other fisheries and resulting in negative impacts to non-AFA vessels. Since none of the 10 LLP license have a Pacific cod endorsement, these

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<sup>58</sup> For the USCG to issue an endorsement for a vessel 100 feet or greater, the Maritime Administration in the Department of Transportation (MARAD) must certify that the vessel owner meets the citizenship requirements in the AFA. 46 USC 12113(3).

<sup>59</sup> This provision does not apply to AFA catcher vessels that participate in a mothership cooperative. For AFA catcher vessels that deliver to inshore cooperatives, pollock quota is allocated to the inshore cooperative based on the pollock catch history of the member vessels. For AFA catcher vessels that deliver to AFA motherships, the vessel's pollock catch history is not necessary in determining the pollock allocation to the cooperative.

<sup>60</sup> The four vessels are the AJ (US official number 905625), DONA MARTITA (US official number 651751), NORDIC EXPLORER (US official number 678234) and PROVIDIAN (US official number 1062183. Section 602 (b)(3) of the Coast Guard Act *adding* AFA section 210(b)(7)(C).

<sup>61</sup> AFA-permitted vessels in 2011: <https://alaskafisheries.noaa.gov/ram/afa.htm> .

licenses cannot be used in the BSAI or GOA Pacific cod fishery. One catcher/processor license is endorsed for the Central GOA Rockfish Program, while another catcher/processor license is endorsed for the Amendment 80 Program. Nine of the 10 LLP licenses are endorsed for the Bering Sea, while five of the LLP licenses are endorsed for the Aleutian Islands. In the GOA, only two of the LLP licenses are endorsed for Central GOA, while three are endorsed for Western GOA. Three of the five catcher/processor LLP licenses have non-trawl endorsements, while two of the catcher vessel LLP licenses have non-trawl endorsements. The MLOA for the catcher/processor LLP licenses range in length from 132 feet to 219 feet, while the MLOA for the catcher vessel LLP licenses range in length from 95 feet to 124 feet.

Table 1-33 Number of AFA and non-AFA generated LLP licenses by endorsement

<b>Endorsement</b>	<b>AFA generated LLP license</b>	<b>Non-AFA generated LLP license</b>
Catcher processor	26	5
Catcher vessel	101	5
AI trawl	66	4
BS trawl	125	2
CGOA trawl	32	1
WGOA trawl	23	2
GOA sideboard exempt	16	9
<b>Total LLP licenses currently on AFA vessels*</b>	<b>127</b>	<b>10</b>
*Current as of November 2012		

Provided below is a detailed description of the impacts of this alternative with specific focus on production efficiency, economic spillover and redistribution, safety, and community.

### **Motherships**

The AFA specifically listed three eligible motherships and 19 catcher vessels eligible to deliver to these motherships, as well as criteria for eligibility of any catcher vessel not specifically listed (only one vessel so qualified). Under the AFA, the mothership sector operates as a “cooperative of the whole” that includes all eligible catcher vessels, rather than as several separate and distinct cooperatives oriented to each processor within the sectors, as is the case in the inshore sector. In certain circumstances, the AFA allows motherships to participate as members in a cooperative. To date, however, the motherships have not been members of the Mothership Fleet Cooperative.

The mothership sector currently has 19 qualified catcher vessels, all of which were members of the Mothership Fleet Cooperative in 2011. Fourteen of these vessels are ‘dual qualified’ for both the mothership and inshore sector fisheries. For more details on the effects of this alternative on the mothership qualified catcher vessels, see the catcher vessel section.

### ***Production Efficiency***

Under Alternative 2, AFA motherships can take advantage of new vessel designs and improved technology to increase the operational efficiency of the vessel and could increase production capacity of the vessel. AFA mothership owners, when considering replacement of their mothership vessels, are likely to take into consideration the potential gains in production and fuel efficiency, potential production throughput, capital costs associated with replacing a mothership vessel, and the availability of replacement platforms.

With replacement vessels, new production lines may be included, but consideration of product form is essential. For example, fillet lines have a slower throughput, relative to head and gut lines, but a fillet product

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generally receives a higher market price (i.e., value-added processing). Also, the addition of a new production line could limit room for other production and storage space, both of which are crucial for mothership vessels. Owners of mothership vessels are likely to take into consideration the potential effects of mothership replacement or rebuilding on the AFA mothership catcher vessel fleet. For example, a new mothership vessel that is designed for increased production efficiency but slower production speeds might result in catcher vessels having to wait longer at sea to deliver their catch.

Overall, vessel replacement or rebuilding may allow for some improvement in operational efficiency, which could lead to some consolidation in the AFA mothership fleet. Vessel owners may choose to replace their AFA mothership vessel with a more efficient vessel that can process a greater share of the sector's 10% BS pollock quota. This consolidation would not be expected to result in reduced harvest by the mothership catcher vessels. However, it likely would increase the effective processing capacity and production efficiency within the mothership sector.

### ***Economic spillover and redistribution***

As shown in the Mothership Fleet Cooperative report, from 2007 through 2011, 96% of the groundfish catch by the mothership cooperative vessels was BS pollock. The next closest species was BSAI Pacific cod, which, despite an annual sideboard-exemption for BSAI Pacific cod after March 1, amounted to only 2.3% of the total groundfish harvested.<sup>62</sup> The primary reason AFA motherships focus their processing capacity on BS pollock is because processing of other groundfish species is not economically viable. As noted in the production efficiency section, replacement or rebuilt AFA motherships could increase operational efficiency and production capacity. However, improvements in production capacity and operational efficiency would likely not be sufficient to make processing of other groundfish species profitable for this sector, all else equal. The cost of purchasing other groundfish from harvesters, the widely variable quantity of other groundfish delivered to the mothership, the variability of the different species needing to be processed, and the high costs of operating a mothership at sea likely makes processing of other groundfish species unprofitable, at least under current market and economic conditions. Until such time, if any, that demand for alternative products, product prices, and/or input costs support an operational change, AFA mothership vessels will likely continue to focus on efficiently processing only BS pollock. As a result, rebuilt or replacement AFA mothership vessels would likely have no significant adverse effects in other groundfish fisheries.

### **Catcher/processor**

Out of 21 catcher/processors with AFA permits in 2011, there were 17 active AFA catcher/processors that ranged in length from 190 feet to 379 feet (Table 1-34). In 2011, these 17 catcher/processors harvested 542,835 mt of BS pollock. Besides BS pollock, AFA catcher/processors also harvested BSAI yellowfin sole and Pacific cod. One catcher/processor, that is eligible to participate in the GOA groundfish fisheries, had been active in the Western GOA.

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<sup>62</sup> Value data were not provided in the cooperative report. Cooperative reports were utilized since catch data from NMFS are confidential for data from three or fewer independent entities.

Table 1-34 Number of active AFA catcher/processors by vessel length with GOA area endorsements (2011)

Vessel length (feet)	Number of active CP eligible vessels	Number of active CP eligible vessels with WGOA endorsement
190-199	1	1
200-209	1	0
240-249	1	0
250-259	1	0
260-269	1	0
270-279	4	0
280-289	1	0
290-299	1	0
300-309	1	0
330-339	2	0
340-349	2	0
370-379	1	0
Grand Total	17	1

Source: RAM LLP file, AK Vessel file, AK Region Sources, and Blend data

### ***Production Efficiency***

Under Alternative 2, to improve vessel safety or to improve operational efficiency, including fuel efficiency, the owners of AFA catcher/processors may replace or rebuild their vessels without limits to the length, horsepower, or gross displacement restrictions of the rebuilt or replaced vessel. This may allow for improvements in the safety and operational efficiency of AFA vessels. As noted in Table 1-26, all 21 AFA catcher/processors were built before 1990. A few catcher/processors are approaching 50 years in age. In addition, all of the catcher/processors in the fleet were built during a period when the operation of the vessel emphasized the speed of harvesting and processing through-put in order to compete in open access fisheries. However, since implementation of AFA in 1999, which introduced sector allocations for BSAI pollock and cooperative formation for AFA vessels, harvesting and processing efficiency and improved catch utilization, rather than speed, have been the primary focus for owners of AFA catcher/processors.

With the ability to replace AFA catcher/processors without restrictions on vessel size or horsepower for purposes of safety and operational efficiencies, the AFA catcher/processor fleet can take advantage of, for examples, improved technology include hybrid diesel electric engines, which increase fuel efficiency and available power, energy efficient processing equipment, improved technology in freezing, and fish meal plants.

Given the current level of efficiency of most AFA catcher/processors and the high cost of replacing these vessels, most owners of large AFA catcher/processors would likely not replace their vessels in the immediate future.<sup>63</sup> Owners of smaller and older AFA catcher/processors, perhaps lacking a fish meal plant, are potentially more likely to replace or rebuild their vessels in the immediate future. Lacking the ability to produce fish meal and fish oil leaves these, primarily smaller, vessels at a competitive disadvantage relative to larger AFA catcher/processors. With a fish meal plant, the vessel owner could generate higher rates of return on their harvest by selling fish meal and fish oil. Fish oil can also be utilized as fuel in hybrid diesel electric engines, thereby reducing variable costs associated with purchasing petroleum-based fuel.

### ***Economic spillover and redistribution***

There is strictly limited opportunity for adverse effects in other BSAI fisheries from liberalizing vessel replacement for AFA catcher/processors, as most other available target fisheries for this fleet are already

<sup>63</sup> The cost of replacing an AFA catcher/processor will likely exceed \$100 million (C. Cross, personal communication on 8/29/2012).

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constrained by sector allocations and sideboards. Other than pollock and Pacific cod, which are managed via sector allocations, the remaining groundfish fisheries in the BSAI are restricted by sideboard limits and, with the exception of yellowfin sole and Atka mackerel, are closed to directed fishing because the sideboard is insufficient to support a directed fishery. The yellowfin sole sideboard limit is based on the aggregate ITAC assigned to the Amendment 80 sector and the BSAI trawl limited access sector. If the aggregate ITAC is greater than or equal to 125,000 mt, there is no sideboard limit for that year. Given the ITAC for yellowfin sole in 2011 was 175,028 mt, there was no sideboard limit for that year.

In addition to impacts in the BSAI groundfish fisheries, one AFA catcher/processor is eligible to fish in the GOA and has a Western GOA endorsement on its LLP license. Under this alternative, that vessel would be limited to the MLOA on the GOA LLP license named on the vessel. The vessel was built in 1984 and has a current length of 199 feet. The LLP license currently assigned to the vessel has a MLOA of 219 feet. Using its current LLP license, the vessel length for this catcher/processor could be increased by 20 feet. All totaled, there are seven trawl catcher/processor LLP licenses endorsed for the GOA with a MLOA greater than 219 feet.

Whether the owner of this catcher/processor will replace or rebuild this vessel is not known, but there is a potential that a replacement or rebuilt vessel will have greater harvesting and processing capacity. With an increase in harvesting and processing capacity, the catcher/processor could use that increased capacity in a way that would negatively impact Western GOA non-AFA vessels. Providing some protection for Western GOA non-AFA participants from this AFA catcher/processor are sideboard limits. Although the vessel is exempt from AFA sideboards in the GOA, based on the vessel's dependence on GOA groundfish, the vessel is restricted by Amendment 80 sideboard limits and Central GOA Rockfish Program sideboard limits (see Table 1-35, Table 1-36, and Table 1-37 for 2012 sideboard limits). As seen from these sideboard limits, the AFA catcher/processor is severely restricted in the GOA pollock fishery and shallow-water targets, which include shallow-water flatfish, flathead sole, pollock, and Pacific cod. Sideboard limits that would allow increased harvest include Western GOA Pacific ocean perch, pelagic shelf rockfish, northern rockfish and deep-water targets, which include sablefish, deep-water flatfish, rex sole, rockfish, and arrowtooth flounder. As seen in Table 1-40 and Table 1-41, activity by non-AFA vessels is primarily limited to the shallow-water target, which reduces the potential for negative impacts to non-AFA vessels if the owner of the GOA eligible AFA catcher/processor replaces or rebuilds the vessel. Information on Western GOA harvest and production for this vessel cannot be reported due to confidentiality constraints.

Table 1-35 2012 GOA groundfish sideboard limits for Amendment 80 vessels

Species	Apportionments and allocations by season	Area	Ratio of Amendment 80 sector vessels 1998-2004 catch to TAC	2012 TAC (mt)	2012 Amendment 80 vessel sideboards (mt)
Pollock	A season Jan 20 - Feb 25	Shumagin 610	0.003	5,797	17
		Chirikof (620)	0.002	14,023	28
		Kodiak (630)	0.002	5,787	12
	B season Mar 10 - May 31	Shumagin 610	0.003	5,797	17
		Chirikof (620)	0.002	17,221	34
		Kodiak (630)	0.002	2,589	5
	C season Aug 25 - Sep 15	Shumagin 610	0.003	9,338	28
		Chirikof (620)	0.002	7,282	15
		Kodiak (630)	0.002	8,986	18
	D season Oct 1 - Nov 1	Shumagin 610	0.003	9,338	28
		Chirikof (620)	0.002	7,282	15
		Kodiak (630)	0.002	8,986	18
Pacific cod	A season <sup>1</sup> Jan 1 - June 10	W	0.02	12,614	252
		C	0.044	25,623	1,127
	B season <sup>2</sup> Sep 1 - Dec 31	W	0.02	8,410	168
		C	0.044	17,082	752
Pacific ocean perch	Annual	W	1	2,102	2,102
Northern rockfish	Annual	W	0.764	2,156	1,647
Pelagic shelf rockfish	Annual	W	0.896	409	366

<sup>1</sup>The Pacific cod A season for trawl gear does not open until Jan 20.

<sup>2</sup>The Pacific cod B season for trawl gear closes Nov 1.

Table 1-36 2012 and 2013 halibut PSC limits for Amendment 80 vessels in the GOA

Season	Season dates	Target fishery	Historic Amendment 80 use of the annual halibut PSC limit catch (ratio)	2012 and 2013 annual PSC limit (mt)	2012 and 2013 Amendment 80 vessel PSC limit
1	Jan 20 - Apr 1	Shallow-water	0.0048	2,000	10
		Deep-water	0.0115	2,000	23
2	Apr 1 - Jul 1	Shallow-water	0.0189	2,000	38
		Deep-water	0.1072	2,000	214
3	Jul 1 - Sep 1	Shallow-water	0.0146	2,000	29
		Deep-water	0.0521	2,000	104
4	Sep 1 - Oct 1	Shallow-water	0.0074	2,000	15
		Deep-water	0.0014	2,000	3
5	Oct 1 - Dec 31	Shallow-water	0.0227	2,000	45
		Deep-water	0.0371	2,000	74

Table 1-37 2012 Rockfish Program harvest limits by sector for Western GOA for the catcher/processor sector

Fishery	C/P sector (% of TAC)	Final 2013 TACs (mt)	Final 2012 C/P limit (mt)
Pelagic shelf rockfish	72.3	409	296
Pacific ocean perch	50.6	2,102	1,064
Northern rockfish	74.3	2,156	1,602

### Safety

Although nearly all of the AFA catcher/processors meet the highest safety standard for fish processing in the United States, the average age of the AFA catcher/processor fleet is approximately 38 years. As these vessels continue to age, replacement of some of the older and smaller vessels in this fleet may be desirable. Since all replacement vessels will be classed and loadlined, the ability to replace vessels for the purposes specified in this action will likely continue to result in improved safety for the sector.



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## ***Community***

Any impacts resulting from owners of AFA catcher/processors replacing or rebuilding their vessels for purposes of vessel safety and operational efficiencies would likely be negligible. The current level of efficiency of AFA catcher/processors combined with the cost of replacing or rebuilding these vessels likely precludes dramatic changes in the fleet that would have any measurable effect on home port communities or those communities that service these vessels.

## **Catcher Vessels**

As noted in Table 1-38, the AFA catcher vessels range in length from 73 feet to 184 feet. Of the 92 active catcher vessels, 28 vessels are less than 100 feet in length, 15 vessels are between 100 feet and 120 feet in length, 24 vessels are between 120 feet and 129 feet, and the remaining 25 vessels are greater than 129 feet. Also noted in Table 1-38 are the number of active AFA catcher vessels with GOA and BS Pacific cod sideboard-exemptions and the number of AFA catcher vessels with GOA-endorsed LLP licenses. Of the 92 active catcher vessels, 15 vessels are exempt from GOA sideboard limits and nine vessels are exempt from BSAI Pacific cod sideboard limits. Thirty AFA catcher vessels are named on Central GOA-endorsed LLP licenses and 20 AFA catcher vessels are named on Western GOA-endorsed LLP licenses. Nearly all of the sideboard-exempt vessels are less than 100 feet in length, and a large portion of the vessels with GOA-endorsed LLP licenses are also less than 100 feet in length.

Table 1-38 Number of AFA catcher vessels (inshore and mothership eligible) active in 2011 by vessel length with sideboard-exempts and GOA area endorsements

<b>Vessel length (feet)</b>	<b>Number of active AFA eligible CVs</b>	<b>Number of active AFA eligible CVs with GOA sideboard exemption</b>	<b>Number of active AFA eligible CVs with BSAI Pcod exemption</b>	<b>Number of active AFA eligible CVs with CGOA endorsement</b>	<b>Number of active AFA eligible CVs with WGOA endorsement</b>
<100	28	14	9	19	12
100-109	8	1	0	3	2
110-119	7	0	0	2	1
120-129	24	0	0	4	5
130-139	6	0	0	1	0
140-149	5	0	0	0	0
150-159	3	0	0	0	0
160-169	4	0	0	1	0
170-179	3	0	0	0	0
180-189	4	0	0	0	0
<b>Total</b>	<b>92</b>	<b>15</b>	<b>9</b>	<b>30</b>	<b>20</b>

Source: RAM LLP file, AK Vessel file, AK Region Sources, and Blend data  
Table from AFA\_Active(08-14)

The primary fishing effort of the active AFA catcher vessels is the BS pollock fishery. In 2011, 92 catcher vessels harvested 626,703 mt of BS pollock. Besides BS pollock, AFA catch vessels also harvested BSAI Pacific cod and participated in several GOA groundfish fisheries. In the Central GOA groundfish fisheries, 30 AFA catcher vessels participated in 2011. Of those 30 AFA catcher vessels, 15 were restricted by GOA sideboards and 15 were exempt from GOA sideboards. In 2011, only two AFA vessels participate in the Western GOA groundfish fisheries (Table 1-12).

## ***Production efficiency***

Under the status quo, AFA catcher vessel owners are allowed to replace or rebuild their vessels without limits on the length, horsepower, or weight of the rebuilt or replacement vessel. As noted in Table 1-7, nearly all of the AFA catcher vessels were built between 1970 and 1980. Many of these vessels were first used as oil field supply vessels that were later converted to pollock vessels. These vessels, relative to fishery-specific vessels, are inefficient AFA catcher vessels. For example, vessels originally built as oil field supply vessels have shallow hulls and large inefficient engines that are not designed to pull large trawl nets at low speeds for long periods of time. In addition, many of the AFA catcher vessels were built in the era of open access fisheries. In

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a race for fish, modifications to fishing vessels tended to put more emphasis on speed, rather than efficiency. However, the implementation of AFA in 1999 introduced sector allocations for BSAI pollock and cooperative formation, which reduced significantly the race for fish in this fishery. In addition, BSAI and GOA Pacific cod allocations and the Central GOA Rockfish Program have further reduced the incentive to race for fish. Combined, the changing characteristics of the BSAI and GOA groundfish fisheries have changed the orientation of fishing operations from a race for fish to one of maximizing harvesting efficiency by reducing costs. Liberalized vessel replacement and rebuilding provisions in Alternative 2 provide a greater opportunity for improved production efficiency, relative to Alternative 1.

Replacement or rebuilt AFA catcher vessels could use new molded hull designs that are more fuel efficient than old chine hulls. These new hull designs allow vessels to travel faster and with less wave resistance in rough seas. Advances in propulsion systems when paired with improved hull forms, can result in fuel efficiency gains of 25 percent or more per pound of fish products delivered (Hockema, 2012).

The limitation on vessel length for participation in the GOA could limit the gains in operational efficiency for AFA catcher vessels. Under Alternative 2, an AFA catcher vessel that is rebuilt or replaced may not conduct directed fishing for groundfish in any area in GOA, if the vessel exceeds the MLOA specified on the LLP groundfish license that is endorsed for that area and assigned to the vessel at the time of fishing. When rebuilding or replacing their AFA catcher vessel, owners would likely take into consideration the costs and benefits of participating in both the BSAI and GOA groundfish fisheries, while including the potential reduction in efficiency gains from a limitation in vessel length. In general, AFA vessels with extensive GOA groundfish history could be deterred from building beyond the MLOA. AFA vessels with little or no GOA groundfish history could discount the potential benefits of future GOA groundfish activity relative to the potential benefits gained from a more efficient operation in the BSAI from using a larger vessel. It is also possible that the improved operating efficiency resulting from vessel replacement and rebuilding may alter the economics, such that operating in both the BS pollock fishery and GOA groundfish becomes desirable.

Under the status quo alternative, the ability to remove inshore-eligible AFA catcher vessels would likely improve operational efficiency of the fleet by eliminating unnecessary storage of inactive, obsolete vessels. With the introduction of cooperative fishing in 2000, some owners of inefficient inshore-eligible AFA catcher vessels have leased the vessel's pollock quota to other, more efficient, inshore-eligible AFA catcher vessels. Since the AFA, as originally enacted, prevented owners from permanently transferring pollock quota, these inefficient inshore-eligible AFA catcher vessels were either placed into storage or were utilized in other maritime activities.

However, with enactment of the Coast Guard Act amendments to the AFA, the owners of inshore-eligible AFA catcher vessels can now permanently retire inshore-eligible AFA catcher vessels from the fishery by transferring the pollock quota of the removed catcher vessel to other AFA catcher vessels in the inshore cooperative. This approach allows inshore-eligible AFA catcher vessels to take advantage of the efficiency gains from stacking pollock quota from removed vessels on more efficient AFA catcher vessels. In addition, the ability to replace or rebuild vessels without limitations (except the length limitation for AFA vessels participating in GOA) may complement the efficiency gains from removing vessels by allowing the larger replacement vessels to be designed to accommodate the additional pollock quota.

### ***Economic Spillover and Redistribution***

The provisions of the Coast Guard Act enable AFA catcher vessel owners to rebuild or replace their AFA catcher vessel with a vessel of any size, even if the replacement vessel's length exceeds the MLOA specified on the assigned LLP license. The one limitation is the prohibition on GOA fishing by replacement or rebuilt vessels that exceed the MLOA on the GOA LLP license assigned to the vessel.

Table 1-39 shows the current number of active AFA catcher vessels with GOA-endorsed LLP licenses aggregated by reported vessel length and the difference between vessel length and the MLOA of the GOA-endorsed LLP license. The difference between a vessel's length and the applicable MLOA shows the amount

by which a vessel's length could be increased, while maintaining the vessel's ability to fish in the GOA. The table also shows the number of Central GOA and Western GOA endorsements for each vessel length category. As noted in Table 1-39, there were 15 active AFA catcher vessels that have GOA trawl-endorsed LLP license in 2011 that are exempt from the GOA groundfish sideboards and 20 AFA catcher vessels that have GOA trawl-endorsed LLP license in 2011 that are restricted by GOA groundfish sideboards. Of the 15 active AFA exempt vessels, 3 are within 10 feet of the MLOA on their GOA-endorsed LLP license, so these 3 vessels could only increase their vessel length by at most 10 feet and maintain their ability to fish in the GOA. Of the remaining sideboard-exempt AFA catcher vessels, 10 are between 10 feet and 20 feet shorter than the MLOAs on their GOA-endorsed LLP license, and 2 are between 20 feet and 50 feet shorter than their GOA-endorsed LLP license. Each of the 15 exempt vessels has a Central GOA endorsement and 11 have Western GOA endorsements.

Looking at the 20 non-exempt AFA catcher vessels with GOA-endorsed LLP licenses, 12 vessels are within 10 feet of their MLOA, 5 vessels are within 10 feet and 20 feet of their MLOA, and 4 vessels are within 20 feet and 50 feet of their MLOA. Of the 20 AFA non-exempt catcher vessels that have GOA endorsements, 11 vessels have only a Central GOA endorsement, five vessels have only a Western GOA endorsement, and four vessels have both a Central and Western GOA endorsement.

**Table 1-39** Number of active AFA catcher vessels in 2011 with the GOA area endorsements and difference between vessel length and the MLOA of their GOA-endorsed LLP license

AFA catcher vessel category	Vessel length (feet)	Number of vessels with Central GOA endorsements	Number of vessels with Western GOA endorsements	Number of vessels within 10 feet of their MLOA	Number of vessels between 10 feet and 20 feet of their MLOA	Number of vessels between 20 feet and 50 feet of their MLOA
Exempt AFA catcher vessels	80-89	5	4	1	4	0
	90-99	9	6	1	6	2
	100-109	1	1	1	0	0
Total		15	11	3	10	2
Non-exempt AFA catcher vessels	80-89	1	0	0	0	1
	90-99	4	2	0	3	2
	100-109	2	1	1	1	0
	110-119	2	1	2	1	0
	120-129	4	5	8	0	0
	130-139	1	0	1	0	0
	160-169	1	0	0	0	1
Total		15	9	12	5	4

Source: RAMLLP file, AK vessel file, AK Region Sources, and Blend data  
Table is from afa\_mloa\_goa(08-31)-1 file

The remaining 57 active AFA catcher vessels have a BS only endorsed LLP. Of these 57 vessels, 25 vessels have a vessel length equal to their MLOA, 18 vessels are within 10 feet of their MLOA, and the remaining 14 vessels have a vessel length that is between 10 feet and 21 feet of their MLOA.

There are five AFA catcher vessels with multiple LLP licenses. Only two of these vessels have GOA endorsements. Each has only one license that has GOA endorsement; one with a Central GOA endorsement and one with both Central and Western GOA endorsement. Both vessels are between 20 feet and 50 feet shorter than the MLOA for the GOA-endorsed LLP licenses. With the respect to their BS endorsed LLP licenses, one vessel is within 10 feet of the MLOA of that LLP license, while the other vessel is between 100 feet and 125 feet shorter than the MLOA of that LLP license.

Given that all of AFA catcher vessel owners with a LLP license can now replace or rebuild their vessels and even lengthen the vessels to some degree while still maintaining their ability to fish in the GOA, there is the potential these replacement or rebuilt vessels could impact other GOA groundfish participants, particularly trawlers. Table 1-40 and Table 1-41 provide annual vessel activity and catch of non-AFA trawl catcher vessels active in the Central and Western GOA by species. As seen from these tables, there are a number of non-AFA trawl vessels that are active in the pollock, Pacific cod, flatfish, and rockfish fisheries in the Central GOA, and slightly fewer vessels in the Western GOA. Limiting the potential impacts of replacement or rebuilt AFA

vessels in the GOA are sideboard limits, stand-down requirements, exclusive fishing seasons for trawl catcher vessels that participate in the directed pollock fisheries in both the BSAI and GOA, and trip limits for GOA pollock (see Section 1.9.1 for greater details).

Although the GOA sideboards in the AFA were designed to limit the impacts of AFA vessels on other GOA groundfish participants, there is still the potential for replaced or rebuilt sideboarded AFA catcher vessels to impact non-AFA trawl vessels. In the absence of AFA sideboard activity, the non-AFA trawlers have increased their dependency on these GOA groundfish fisheries. For most GOA groundfish fisheries, the increased dependency by the non-AFA vessels is not an issue. However, for the Central and Western GOA pollock fishery, the increased dependency combined with the potential for AFA replacement and rebuilt vessels to increase fishing effort in these fisheries could create a race for fish in the future. For Pacific cod, the implementation of GOA Pacific cod sector splits in 2012 has reduced the amount of Pacific cod available for the trawl CV sector. Prior to implementation of sector splits, Pacific cod was apportioned between inshore and offshore sectors, which were shared amongst all of the different gear groups. Starting in 2012, the trawl CV sector was apportioned 41.6% of the Central GOA Pacific cod TAC and 38.4% of the Western GOA Pacific cod TAC. For other GOA groundfish fisheries, replacement and rebuilt AFA vessels are not likely to create negative impacts on non-AFA vessels. Sideboard limits for these fisheries are significantly smaller than the TACs, and the level of catch by non-AFA vessels in these fisheries relative to the TACs is significantly smaller. The following tables and discussion provides a more detailed description of these impacts to the GOA groundfish fisheries from the perspective of the AFA non-exempt vessels and AFA sideboard-exempt vessels.

Table 1-40 Number of non-AFA trawl catcher vessels active in the Central and Western GOA by species from 2003 through 2011

GOA subarea	Year	Pollock	Pacific cod	Atka mackerel	Flatfish	Rockfish	Sablefish	Other
Central GOA	2003	36	38	8	37	26	24	32
	2004	34	34	7	34	31	25	28
	2005	28	30	9	29	27	23	28
	2006	26	27	7	27	27	21	23
	2007	21	21	13	21	21	19	21
	2008	25	25	8	25	23	20	24
	2009	20	20	12	20	19	18	20
	2010	24	24	8	23	21	17	22
2011	30	30	9	29	26	20	27	
Western GOA	2003	27	30	0	19	10	0	13
	2004	22	25	12	18	10	2	17
	2005	27	28	13	23	18	2	20
	2006	28	28	6	28	25	2	21
	2007	29	30	23	30	27	6	29
	2008	25	26	11	24	17	2	22
	2009	27	27	4	26	17	0	26
	2010	24	24	7	23	21	0	23
2011	23	24	7	22	21	1	21	

Source: RAMLLP file, AK vessel file, AK Region Sources, and Blend data

Table 1-41 Catch (mt) of non-AFA catcher vessels active in the Central and Western GOA by species from 2003 through 2011

GOA subarea	Year	Pollock	Pacific cod	Atka mackerel	Flatfish	Rockfish	Sablefish	Other
Central GOA	2003	16,295	8,703	8	6,093	5,873	324	1,153
	2004	21,705	8,531	0	7,961	4,949	360	1,007
	2005	28,346	5,206	1	9,972	4,392	264	1,210
	2006	23,069	3,646	2	14,182	3,986	231	1,157
	2007	14,574	6,561	1	15,572	4,064	230	799
	2008	13,738	7,789	1	17,797	3,761	202	777
	2009	13,942	4,857	5	16,910	4,089	243	1,338
	2010	23,477	8,925	1	13,387	4,223	227	1,188
	2011	29,143	7,199	2	13,685	4,085	283	1,149
Western GOA	2003	12,071	1,250	0	128	0	0	5
	2004	17,311	1,610	0	129	0	*	4
	2005	24,210	4,029	3	298	2	*	6
	2006	18,802	4,793	7	362	14	*	4
	2007	15,369	4,108	2	424	88	0	11
	2008	14,245	4,603	0	411	230	*	4
	2009	12,860	2,082	0	310	0	0	2
	2010	21,902	2,578	0	1,229	2	0	16
	2011	18,739	1,937	0	480	1	*	7

Source: RAMLLP file, AK vessel file, AK Region Sources, and Blend data  
 \*Withheld for confidentiality

During the 2007 through 2011 period, a total of 20 **AFA non-exempt vessels** harvested significantly less than the sideboard limit in most groundfish fisheries. Table 1-42 and Table 1-43 show cumulative GOA pollock and Pacific cod sideboard limits, harvest, and percent of sideboard limit harvested for the non-exempt AFA catcher vessels from 2007 through 2011. As shown in these tables, AFA non-exempt vessels harvested 13% of the area 610 pollock sideboard limit, 58% of the area 620 pollock sideboard limit, and 28% of the area 630 pollock sideboard limit. In the Pacific cod fishery, AFA non-exempt vessels utilized 8% of the Western GOA inshore sideboard limit and 22% of the Central GOA inshore sideboard limit. No AFA non-exempt vessel participated in the offshore Pacific cod fishery during the 2007 through 2011 period.

Table 1-42 Cumulative GOA pollock sideboard limit, harvest, and percent of sideboard limit by AFA non-exempt vessels from 2007 through 2011

Species	Shumagin (610)			Chirikof (620)			Kodiak (630)		
	Sideboard limit (mt)	Sideboard harvest (mt)	% of sideboard caught	Sideboard limit (mt)	Sideboard harvest (mt)	% of sideboard caught	Sideboard limit (mt)	Sideboard harvest (mt)	% of sideboard caught
Pollock	67,492	8,877	13	15,002	7,909	52.72	17,169	4,780	28

Table 1-43 Cumulative GOA Pacific cod sideboard limit, harvest, and percent of sideboard limit harvested by AFA non-exempt vessels from 2007 through 2011

Species	Western GOA inshore			Western GOA offshore			Central GOA inshore			Central GOA offshore		
	Sideboard limit (mt)	Sideboard harvest (mt)	% of sideboard caught	Sideboard limit (mt)	Sideboard harvest (mt)	% of sideboard caught	Sideboard limit (mt)	Sideboard harvest (mt)	% of sideboard caught	Sideboard limit (mt)	Sideboard harvest (mt)	% of sideboard caught
Pacific cod	12,406	1,045	8	1,019	0	0.00	9,941	2,178	22	1,136	0	0.00

Table 1-44, Table 1-45, Table 1-46, and Table 1-47 show annual Central GOA and Western GOA TACs, sideboard limits, harvest, percent of sideboard limited harvested and percent of TAC harvested in the pollock and other groundfish fisheries for AFA non-exempt vessels, AFA exempt vessels, and non-AFA trawl vessels from 2007 through 2011, and for Pacific cod, data were provided from 2007 through 2012 to account for the implementation of GOA Pacific cod sector allocations. As shown in all these tables, the sideboard harvests were well below the sideboard limits during the 2007 through 2011 period, with the exception of Northern

rockfish.<sup>64</sup> Some of the Central GOA groundfish fisheries with higher average sideboard catch percentages were Northern rockfish at 117%, arrowtooth flounder at 54%, Pacific ocean perch at 52%, and flathead sole at 46%.

Table 1-44 Central GOA TACs (inshore allocation for Pacific cod), sideboard limits, harvest, percent of sideboard limited harvested and percent of TAC (inshore allocation for Pacific cod) harvested in the pollock and Pacific cod fisheries for AFA non-exempt vessels, AFA exempt vessels, and non-AFA trawl vessels from 2007 through 2011 (2012 for Pacific cod)

Central GOA Pollock									
Year	TAC (mt)	Sideboard limit (mt)	AFA non-exempt vessels			AFA exempt vessels		Non-AFA trawl vessels	
			Catch (mt)	% of TAC	% of sideboard	Catch (mt)	% of TAC	Catch (mt)	% of TAC
2007	35,830	6,601	2,910	8	44	14,736	41	14,574	41
2008	32,821	6,063	2,578	8	43	15,339	47	13,738	42
2009	25,156	3,888	993	4	26	8,782	35	13,942	55
2010	47,213	6,171	3,370	7	55	18,584	39	23,477	50
2011	57,600	8,465	2,718	5	32	22,312	39	29,143	51
Central GOA Pacific cod									
Year	Inshore allocation (mt)	Sideboard limit (mt)	AFA non-exempt vessels			AFA exempt vessels		Non-AFA trawl vessels	
			Catch (mt)	% of inshore allocation	% of sideboard	Catch (mt)	% of inshore allocation	Catch (mt)	% of inshore allocation
2007	25,565	2,051	143	1	7	1,548	6	6,561	26
2008	25,583	2,052	260	1	13	3,627	14	7,789	30
2009	21,277	1,636	281	1	17	2,323	11	4,857	23
2010	33,104	2,545	529	2	21	5,830	18	8,925	27
2011	36,325	2,794	803	2	29	4,583	13	7,199	20
2012*	17,581	2,955	238	1	8	3,085	18	8,285	47

Source: RAM LLP file, AK vessel file, AK Region Sources, and Blend data

Table is from 'AM80 and Rockfish Program 2012 sideboard limits' and data within tables is from file 'AFA Catch SG (11-08)'

\*GOA Pacific cod sector splits implemented

<sup>64</sup> Since AFA vessels are still subject to AFA sideboards in the GOA, despite being allocated Central GOA pelagic shelf rockfish, Pacific ocean perch, and Northern rockfish quota under the Rockfish Program, it is possible for AFA vessels to exceed their AFA sideboards in the Central GOA.

Table 1-45 Western GOA TACs (inshore allocation for Pacific cod), sideboard limits, harvest, percent of sideboard limited harvested and percent of TAC (inshore allocation for Pacific cod) harvested in the pollock and Pacific cod fisheries for AFA non-exempt vessels, AFA exempt vessels, and non-AFA trawl vessels from 2007 through 2011 (2012 for Pacific cod)

Western GOA Pollock									
Year	TAC (mt)	Sideboard limit (mt)	AFA non-exempt vessels			AFA exempt vessels		Non-AFA trawl vessels	
			Catch (mt)	% of TAC	% of sideboard	Catch (mt)	% of TAC	Catch (mt)	% of TAC
2007	25,012	15,228	1,876	8	12	58	0	15,369	61
2008	17,602	10,758	629	4	6	0	0	14,245	81
2009	15,249	9,221	941	6	10	0	0	12,860	84
2010	26,256	15,878	3,897	15	25	0	0	21,902	83
2011	27,032	16,346	1,561	6	10	0	0	18,739	69
Western GOA Pacific cod									
Year	Inshore allocation (mt)	Sideboard limit (mt)	AFA non-exempt vessels			AFA exempt vessels		Non-AFA trawl vessels	
			Catch (mt)	% of inshore allocation	% of sideboard	Catch (mt)	% of inshore allocation	Catch (mt)	% of inshore allocation
2007	18,127	2,787	185	1	7	0	0	4,108	23
2008	17,504	2,690	50	0	2	0	0	4,603	26
2009	14,558	2,153	36	0	2	0	0	2,082	14
2010	18,687	2,763	354	2	13	0	0	2,578	14
2011	20,507	3,033	539	3	18	0	0	1,937	9
2012*	7,952	2,798	504	6	18	0	0	6,210	78

Source: RAM LLP file, AK vessel file, AK Region Sources, and Blend data

Table is from 'AM80 and Rockfish Program 2012 sideboard limits' and data within tables is from file 'AFA Catch SG (11-08)'

\*GOA Pacific cod sector splits implemented

Table 1-46 Central GOA TACs, sideboard limits, harvest, percent of sideboard limited harvested and percent of TAC harvested for deep-water flatfish, shallow-water flatfish, flathead sole, rex sole, arrowtooth flounder, Pacific ocean perch, and Northern rockfish for AFA non-exempt vessels, AFA exempt vessels, and non-AFA trawl vessels from 2007 through 2011

Central GOA Deep-water flatfish									
Year	TAC (mt)	Sideboard limit (mt)	AFA non-exempt vessels			AFA exempt vessels		Non-AFA trawl vessels	
			Catch (mt)	% of TAC	% of sideboard	Catch (mt)	% of TAC	Catch (mt)	% of TAC
2007	4,163	279	5	0	2	20	0	73	2
2008	6,721	450	5	0	1	23	0	170	3
2009	6,927	448	14	0	3	26	0	31	0
2010	2,865	185	22	1	12	42	1	257	9
2011	2,919	189	10	0	5	46	2	165	6
Central GOA Shallow-water flatfish									
Year	TAC (mt)	Sideboard limit (mt)	AFA non-exempt vessels			AFA exempt vessels		Non-AFA trawl vessels	
			Catch (mt)	% of TAC	% of sideboard	Catch (mt)	% of TAC	Catch (mt)	% of TAC
2007	13,000	777	21	0	3	1,910	15	6,084	47
2008	13,000	777	107	1	14	2,039	16	5,766	44
2009	13,000	763	186	1	24	2,236	17	5,147	40
2010	13,000	763	98	1	13	1,114	9	3,744	29
2011	13,000	763	68	1	9	1,044	8	2,240	17
Central GOA Flathead sole									
Year	TAC (mt)	Sideboard limit (mt)	AFA non-exempt vessels			AFA exempt vessels		Non-AFA trawl vessels	
			Catch (mt)	% of TAC	% of sideboard	Catch (mt)	% of TAC	Catch (mt)	% of TAC
2007	5,000	131	31	1	24	313	6	1,500	30
2008	5,000	131	74	1	56	613	12	1,483	30
2009	5,000	107	35	1	33	344	7	1,625	32
2010	5,000	107	61	1	57	614	12	1,379	28
2011	5,000	107	62	1	58	402	8	987	20
Central GOA Rex sole									
Year	TAC (mt)	Sideboard limit (mt)	AFA non-exempt vessels			AFA exempt vessels		Non-AFA trawl vessels	
			Catch (mt)	% of TAC	% of sideboard	Catch (mt)	% of TAC	Catch (mt)	% of TAC
2007	5,466	219	13	0	6	84	2	523	10
2008	6,731	271	23	0	9	201	3	433	6
2009	6,630	255	150	2	59	221	3	793	12
2010	6,403	246	100	2	40	217	3	645	10
2011	6,294	242	83	1	34	246	4	714	11
Central GOA Arrowtooth flounder									
Year	TAC (mt)	Sideboard limit (mt)	AFA non-exempt vessels			AFA exempt vessels		Non-AFA trawl vessels	
			Catch (mt)	% of TAC	% of sideboard	Catch (mt)	% of TAC	Catch (mt)	% of TAC
2007	30,000	927	587	2	63	2,309	8	7,354	25
2008	30,000	927	550	2	59	4,501	15	9,174	31
2009	30,000	840	166	1	20	2,353	8	8,345	28
2010	30,000	840	445	1	53	2,391	8	7,362	25
2011	30,000	840	644	2	77	4,179	14	8,969	30
Central GOA Pacific ocean perch									
Year	TAC (mt)	Sideboard limit (mt)	AFA non-exempt vessels			AFA exempt vessels		Non-AFA trawl vessels	
			Catch (mt)	% of TAC	% of sideboard	Catch (mt)	% of TAC	Catch (mt)	% of TAC
2007	7,612	659	349	5	53	2,027	27	2,031	27
2008	8,185	709	390	5	55	2,112	26	1,852	23
2009	8,246	617	261	3	42	2,072	25	2,021	25
2010	10,737	803	469	4	58	2,728	25	2,816	26
2011	10,379	776	408	4	53	2,581	25	2,943	28
Central GOA Northern rockfish									
Year	TAC (mt)	Sideboard limit (mt)	AFA non-exempt vessels			AFA exempt vessels		Non-AFA trawl vessels	
			Catch (mt)	% of TAC	% of sideboard	Catch (mt)	% of TAC	Catch (mt)	% of TAC
2007	3,499	128	141	4	111	973	28	1,070	31
2008	2,408	81	149	6	184	560	23	693	29
2009	2,308	64	61	3	95	489	21	721	31
2010	2,395	66	74	3	112	474	20	612	26
2011	2,281	63	52	2	82	311	14	548	24

Source: RAMLLP file, AK vessel file, AK Region Sources, and Blend data

Table is from "AM80 and Rockfish Program 2012 sideboard limits" and data within tables is from file "AFA Catch SG (11-08)"



Table 1-47 Western GOA TACs, sideboard limits, harvest, percent of sideboard limited harvested and percent of TAC harvested in the shallow-water flatfish for AFA non-exempt vessels, AFA exempt vessels, and non-AFA trawl vessels from 2007 through 2011

Year	TAC (mt)	Sideboard limit (mt)	AFA non-exempt vessels			AFA exempt vessels		Non-AFA trawl vessels	
			Catch (mt)	% of TAC	% of sideboard	Catch (mt)	% of TAC	Catch (mt)	% of TAC
2007	4,500	70	0	0	0	0	0	1	0
2008	4,500	70	*	*	*	0	0	2	0
2009	4,500	70	*	*	*	0	0	6	0
2010	4,500	70	1	0	1	0	0	2	0
2011	4,500	70	*	*	*	0	0	64	1

\*Withheld for confidentiality

Total exvessel revenue of the GOA sideboard fisheries for the GOA non-exempt vessels during the 2007 through 2011 period amounted to \$8.6 million for Central GOA and \$3.4 for the Western GOA (Table 1-48). Pollock was the largest contributor of the GOA exvessel value at \$4.4 million in the Central GOA and \$2.8 million in the Western GOA.

Table 1-48 Total exvessel revenue for pollock, Pacific cod, and all other groundfish by GOA area from 2007 through 2011 for GOA sideboard limited vessels

Fishery	Central GOA (\$)	Western GOA (\$)
Pacific cod	1,429,097	583,727
Pollock	4,370,086	2,840,968
Other groundfish	2,832,705	22,595
Total	8,631,888	3,447,290

Despite having the opportunity to catch more of the GOA sideboard fisheries, in most cases the AFA non-exempt vessels have only harvested a small portion of these fisheries. One potential explanation for the low sideboard harvest in the GOA groundfish fisheries is their fishing effort in the BS pollock fishery. As indicated in Table 1-49, over the period 2007 through 2011, the GOA non-exempt vessels harvested 204,267 mt of BS pollock worth \$73.4 million exvessel value and 21,418 mt of BSAI Pacific cod worth \$16.2 million exvessel value. Taking into consideration total exvessel value from both BSAI and GOA groundfish fisheries for these vessels over the 2007 through 2011 period, BS pollock and Pacific cod fisheries contributed 88%, while the remaining 12% was from the GOA groundfish fisheries. The estimated exvessel value of the foregone GOA sideboard fisheries over the 2007 through 2011 period was \$46 million. Of the \$46 million, \$26.9 million was from the pollock fishery, \$11.9 million was from Pacific cod fishery, and \$7.2 million from the groundfish fisheries.

Table 1-49 Annual exvessel revenue BS pollock and Pacific cod fisheries from 2007 through 2011 for GOA sideboard limited vessels

Year	Pollock		Pacific cod	
	Catch (mt)	Value (\$)	Catch (mt)	Value (\$)
2007	61,026	17,438,617	5,935	5,610,450
2008	36,402	15,718,189	3,615	4,282,092
2009	29,032	11,594,307	5,365	2,776,979
2010	30,117	11,545,860	2,741	1,299,814
2011	47,690	17,070,250	3,762	2,198,526
Total	204,267	73,367,223	21,418	16,167,862

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The value of the foregone GOA sideboard fisheries could provide an incentive for AFA replacement and rebuilt vessels to change their fishing behavior. A change in fishing behavior could negatively impact GOA AFA exempt vessels and non-AFA vessels, although stand-down requirements, exclusive fishing seasons, and the pollock trip limit would lessen any potential impacts. Under this alternative, replacement and rebuilt AFA vessels could be designed to consolidate BS pollock quota on fewer AFA catcher vessels, thereby allowing other AFA non-exempt vessels with GOA endorsements to increase their fishing effort in the GOA groundfish fisheries (i.e., the original motivation for setting sideboard limits of AFA vessels). The increased effort in the GOA groundfish fisheries would likely only negatively impact AFA exempt vessels and non-AFA trawl vessels in the pollock fisheries. On average, during the 2007 through 2011 period, the AFA non-exempt vessels harvested 6% of the Central GOA pollock, while the non-AFA trawl vessels harvested 48% of the Central GOA pollock and the AFA exempt vessels harvested 40% (Table 1-44). Although a sideboard limit is not a specific allocation, if the AFA non-exempt vessels doubled their sideboard harvest in the Central GOA pollock fishery, both AFA exempt vessels and non-AFA trawl vessels would see reduced pollock harvests. For the Western GOA pollock, sideboard limits are high enough, if fully harvested, to reduce pollock harvest for the non-AFA trawl vessels (Table 1-45). However, the extent of these impacts to the exempt vessels and non-AFA vessels is unknown, since it is not known how many, if any, owners of AFA non-exempt vessels may choose to replace or rebuild.

For Pacific cod, the implementation of sector splits in 2012 has increased the chances that AFA exempt vessels and non-AFA vessels could be impacted by AFA non-exempt vessels, if the sideboard limit is fully harvested. This is due to reduction in the available Pacific cod for the trawl CV sector while the sideboard ratio remained the same. Despite the increased potential for impacts from sector splits, the AFA non-exempt vessels, since 2007, have harvested Pacific cod well below their sideboard limits.

With regard to other groundfish fisheries, this alternative would likely have little impact on AFA exempt vessels and non-AFA trawl vessels, since the sideboard limits for these fisheries are significantly less than the TACs (see Table 1-46 and Table 1-47).

As indicated in Table 1-50, 15 of the **GOA sideboard-exempt vessels** during the 2007 through 2011 period participated in both BS pollock fishery and the GOA groundfish fisheries. While most GOA exempt vessels participated in the BS pollock fishery, a few vessels did not. In 2007 and 2008, three sideboard-exempt vessels did not to harvest any of their BS pollock allocation, and from 2009 to 2011, two sideboard-exempt vessels did not harvest any of their BS pollock allocation. Many of the vessels that did not harvest their BS pollock allocation also did not participate in the GOA groundfish fisheries during that same year. Those vessels that did participate in the GOA groundfish fisheries, while also foregoing their BS pollock allocation, did not show an increase in catch of GOA groundfish. Overall, the average annual percentage of BS pollock that was harvested by GOA sideboard-exempt vessels from 2007 through 2011 was 75.4%. In the GOA, these vessels harvested between 13% and 18% of the total GOA groundfish catch during the 2007 through 2011 period. Comparing exvessel revenue for GOA exempt AFA vessels, BS pollock ranged in value from \$4.8 million to \$6.5 million annually during the 2007 through 2011 period, while GOA groundfish exvessel revenue ranged from \$7 million to \$14.6 million annually during this same period.

The ability to replace or rebuild their AFA GOA exempt vessels may increase the potential for GOA exempt AFA catcher vessels to negatively impact AFA non-exempt vessels and non-AFA vessels active in the GOA groundfish fisheries. Again, trips limits, exclusive fishing seasons, and pollock trip limits will reduce these impacts. As shown in Table 1-50, average annual catch of GOA groundfish for AFA sideboard-exempt vessels during the 2007 through 2012, relative to total GOA groundfish catch for all vessels, was 16%. If GOA exempt vessels are replaced or rebuilt with more efficient vessels, there is the potential for this group of vessels to increase their share of the total catch, relative to the AFA exempt vessels and non-AFA vessels, thereby negatively impacting the latter vessels. The extent of these impacts cannot be meaningfully estimated, since it is not known how many, if any, owners of AFA exempt vessels will choose to replace or rebuild. One factor that could limit the impact of replacement and rebuilt AFA sideboard-exempt vessels on AFA non-exempt vessels and non-AFA vessels is the current limitation on leasing BS pollock for AFA sideboard-exempt vessels. The Council recommended and approved the GOA sideboard-exemption for qualified AFA vessels

with the understanding that no AFA sideboard-exempt vessels would lease its BS pollock in a year that it exceeds its GOA average harvest level from the 1995 through 1997 period. The Catcher Vessel Inter-cooperative Agreement binds vessels to this limitation.

Table 1-50 Total catch and exvessel value of BS pollock and GOA groundfish from 2007 through 2011 for AFA GOA sideboard-exempt vessels

	2007	2008	2009	2010	2011
Annual BSAI pollock allocation (mt)	32,754	23,288	18,906	18,799	34,281
Annual catch of BSAI pollock (mt)	21,865	16,256	15,563	13,735	29,251
Percent of BSAI pollock catch harvested	0.67	0.70	0.82	0.73	0.85
Number of vessels that did not harvest any of their BSAI pollock allocation	3	3	2	2	2
Number of vessels that harvested less than 50% of their BSAI pollock allocation	6	5	3	5	4
GOA total trawl groundfish catch for AFA exempt vessels (mt)	25,385	30,312	19,984	33,228	36,868
Total annual GOA trawl groundfish catch for all vessels (mt)	155,499	167,717	153,367	209,381	247,286
GOA trawl groundfish catch as percent of total GOA catch for AFA exempt vessels	0.16	0.18	0.13	0.16	0.15
BSAI total pollock exvessel revenue for AFA exempt vessels (\$thousand)	6,120	6,552	5,967	4,835	6,076
GOA total groundfish exvessel revenue for AFA exempt vessels (\$thousand)	8,630	13,539	7,120	13,249	14,585
Source: Cooperative reports for pollock allocation and catch. GOA groundfish catch and exvessel revenue from Blend data.					
Table is from AFA_Sectors Catch (07-31) with exempt catch data					

Potential implications to GOA groundfish fisheries also exist when an AFA catcher vessel operator wants to use a replacement or rebuilt vessel and the replacement or rebuilt vessel is longer than the MLOA on the LLP licenses assigned to the vessel being replaced. Under the status quo option, the vessel owner could purchase a different LLP license with a MLOA that can accommodate the new vessel length, prior to entering the GOA groundfish fisheries. From the perspective of the GOA groundfish fisheries, allowing AFA non-exempt and exempt catcher vessel owners to purchase LLP licenses with a longer MLOA could impact other GOA groundfish participants. The impact on other GOA groundfish participants from AFA non-exempt and exempt catcher vessels that enter the GOA fisheries using an LLP license that accommodates the vessel's expanded length are ultimately limited by GOA sideboard restrictions for AFA non-exempt vessels and the limited number of GOA-endorsed LLPs that can accommodate these vessels. Table 1-51 provides the number of trawl catcher vessel LLP licenses by MLOA and GOA endorsement. As noted in the table, nearly all of the trawl catcher vessel LLP licenses with Central GOA and Western GOA endorsements have a MLOA less than 125 feet LOA. Nevertheless, as the table shows, there is the potential for some of the AFA non-exempt and exempt vessels under 124 feet to purchase a GOA-endorsed LLP license with a larger MLOA.

Table 1-51 Number of trawl catcher vessel LLP licenses by MLOA and GOA subarea endorsement

MLOA	CG endorsements	WG endorsements
50-74	33	40
75-99	20	12
100-124	43	26
125-149	1	0
Total	97	78

In the BSAI, the impacts of this action to non-AFA vessels will likely be restricted to the Pacific cod fishery, particularly the winter cod fishery, as the remaining groundfish fisheries are sideboarded and are typically closed to the AFA catcher vessels, since the available sideboard amounts are inadequate to support directed fishing. Over the years, the Council has requested two discussion papers on the BS winter Pacific cod fishery to determine if participating AFA vessels are adversely impacting participating non-AFA trawl catcher vessels. In each case, the Council has determined that despite the increase in the number of AFA vessels on the winter cod grounds, evidence of economic harm to the non-AFA trawl catcher vessels has not risen to a level that suggests additional restrictions on AFA vessels are merited. To some extent, changes may be due to the

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dynamic nature of the fishery and the many variables influencing participation in the fishery, as opposed to increased AFA catcher vessel participation alone. However, vessel replacement and rebuilding provisions in this alternative could increase the potential for adverse impacts to non-AFA trawl catcher vessels through shortened season from increased harvest capacity on the winter cod grounds without continued cooperative coordination to reduce these impacts.

### ***Safety***

Only four AFA catcher vessels are classed and loadlined certified. The remainder of the fleet is only required to meet the basic fishing vessel safety regulations found in 46 CFR Part 28. These regulations require the carriage of primary lifesaving equipment, fire-fighting equipment, training to use that equipment, and vessel stability.

Any newly-built AFA catcher vessels would have to meet the much more stringent requirements for classification and loadline. The loadline requirement combined with the requirement to have a GOA-endorsed LLP license with an MLOA that equals or exceeds the length of the replacement vessel would likely not result in a loss of carrying capacity. New vessels can be built wider or deeper to compensate for limitations on length and loadline requirements.<sup>65</sup>

Existing AFA catcher vessels (built before 1995) which are modified in a way that changes their dimensions (lengthening, sponsoning, changes in fish hold size) after July 1, 2012 would have to meet yet-to-be-developed alternate safety compliance program standards required by the Coast Guard Authorization Act of 2010 (46 USC 4503(d)(2)). An alternate safety compliance program for catcher vessels has not been developed at this time. When such a program is developed, it will be developed in cooperation with the commercial fishing industry and may be developed for a specific region and fishery (such as the AFA catcher vessel fleet).

There already exists an Alternate Compliance and Safety Agreement (ACSA) for catcher/processors. The program has both a preventive safety regime, as well as a reactive one. In any future catcher vessel ACSA, the preventive safety components of an ACSA would likely include maintaining full condition and watertight integrity, preventing down flooding, ensuring adequate vessel stability, requiring fire detection and suppression systems. The future catcher vessel ACSA would also require regular maintenance for machinery and critical piping systems. The reactive safety components of the catcher vessel ACSA would include enhanced emergency training, improved lifesaving equipment and additional firefighting capabilities for the vessel and crew. These standards would be enforced through mandatory annual inspections and regular drydock examinations (twice in five years for example).

If an owner of an AFA catcher vessel rebuilds or replaces a vessel pursuant to the AFA amendments, that activity will occur after July 1, 2012. Therefore, all replacement AFA catcher vessels will be classed and loadlined, and extensively modified AFA catcher vessels must meet the ACSA standards. The replacement and rebuilt AFA catcher vessels will likely improve the safety of the fleet.

### ***Community***

The overall level of effort in the fisheries will remain unchanged from Alternative 1, as Alternative 2 has no effect on total allowable catch or the sector's annual allocation. AFA catcher vessels travel to where the fish are, and this pattern is not likely to change, even with the potential advent of larger replacement or rebuilt vessels with an increased hold capacity.

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<sup>65</sup> Personal communication with Jonathan Parrott, Jensen Maritime Consultants, Inc. on February 25, 2013.

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### 1.11.3 Options for AFA non-exempt GOA sideboard vessels

#### **Option 2.1**

Option 2.1 would prohibit a replacement or rebuilt non-exempt AFA catcher vessel that exceeds the most restrictive MLOA on a GOA LLP license assigned to the vessel at the time of replacement or rebuilding from participating in the GOA groundfish fisheries. Vessels that do not have a GOA-endorsed license at the time of the replacement or rebuilding would not be permitted to fish in the GOA groundfish fisheries. This option would allow an owner of an AFA non-exempt catcher vessel to assign a GOA-endorsed LLP license up to the date of applying to NMFS for replacement or rebuilding, in order to participate in the GOA groundfish fisheries, provided the MLOA on that license is at least as large as the rebuilt or replacement vessel's length. Once the vessel owner applies, this option to increase the vessel size has been exercised, and no longer exists. Thus, unlike the other alternatives and options, this "option value" built into Option 2.1 could influence the timing decision about when to replace a vessel.

In assessing this option, the Council considered an aspect of the provision that could be inequitable to some vessel owners, particularly those with current activity in the GOA fisheries. A vessel that has historically fished with a license endorsed for both the GOA and BS might later acquire a larger second GOA license to assign to the vessel to allow for replacement or rebuilding to a length greater than its BS/GOA license MLOA. This vessel would be precluded from fishing in the GOA under this option, despite its second GOA license because it is limited by the most restrictive MLOA of the GOA licenses. Compare this to a vessel that is replaced or rebuilt that has a BS only license with the same MLOA as the other vessel's original license. This vessel could acquire the same larger MLOA GOA license prior to replacement or rebuilding and would be allowed to fish in the GOA fisheries because it did not have a GOA endorsement on its original BS license. A cleaner option the Council considered would have allowed a vessel to participate in CGOA or WGOA management areas, provided the replacement or rebuilt vessel does not exceed the MLOA on the least restrictive license for that area at the time of replacement or rebuilding. This second option allows the vessel to continue to participate in the GOA groundfish fisheries, provided the vessel meets the requirements of the assigned LLPs for the respective areas at the time of vessel replacement or rebuilding. Either action creates an environment to move licenses on and off vessels, but the second option tends to minimize those incentives, relatively.

#### ***Production Efficiency***

This option, similar to Alternative 2, provides the opportunity for an owner of an AFA non-exempt catcher vessel to enter GOA fisheries after replacement or rebuilding the vessel. See Section 1.11.2 for an elaboration of these effects.

This option could reduce efficiency gains slightly from Alternative 2 alone, by limiting replacement and rebuilt AFA non-exempt catcher vessels to the most restrictive MLOA of the GOA-endorsed LLP licenses, at the time of replacement. In 2011, there were 92 AFA non-exempt catcher vessels active, of which 30 of these vessels had a LLP license that was endorsed for the Central GOA and 20 vessels had endorsements for the Western GOA (Table 1-52). The largest group of AFA non-exempt catcher vessels range between 90 feet through 124 feet. The ability to use an AFA non-exempt catcher vessel greater than 124 feet in the GOA is curtailed, to a large degree, by the limited number of LLP licenses endorsed for the GOA with a MLOA greater than 124 feet. As noted in Table 1-51, nearly all trawl LLP licenses with GOA endorsements are less than 125 feet. In total, 64 active AFA non-exempt catcher vessels are less than 125 feet in length, while there are 96 LLP licenses with Central GOA endorsements and 78 LLP licenses with Western GOA endorsements that have MLOAs less than 125 feet. Given the number of LLP licenses with Central GOA and Western GOA endorsements, there appears to be opportunity for greater gains in efficiency for the 64 AFA non-exempt catcher vessels, but relative to Alternative 2, that opportunity appears less under this option due to the slightly more restrictive GOA LLP requirement.

Table 1-52 Number of AFA non-exempt catcher vessels by vessel length (feet) and the number of these non-exempt AFA catcher vessels with LLP licenses that have a Central GOA endorsement or Western GOA endorsement in 2011

Vessel length (feet)	Number of active AFA eligible CVs	Number of active AFA eligible CVs with CGOA endorsement	Number of active AFA eligible CVs with WGOA endorsement
70-79	1	0	0
80-89	8	6	4
90-99	19	13	8
100-109	8	3	2
110-119	7	2	1
120-129	24	4	5
130-139	6	1	0
140-149	5	0	0
150-159	3	0	0
160-169	4	1	0
170-179	3	0	0
180-189	4	0	0
Total	92	30	20

Source: RAM LLP file, AK Vessel file, AK Region Sources, and Blend data  
Table from AFA\_Active(08-14)

Similar to Alternative 2, under this option, owners of AFA catcher vessels will likely take into consideration the costs and benefits of participating in both the BSAI and GOA groundfish fisheries while including the potential for lower efficiency gains from a limitation in vessel length. In 2011, there were 20 AFA non-exempt vessels that participated in the GOA and 57 AFA non-exempt vessels that did not participate in the GOA. In general, AFA non-exempt catcher vessels with extensive GOA groundfish history may be deterred from building beyond any constraining GOA license MLOA. AFA non-exempt catcher vessels with little or no GOA groundfish history could discount the potential benefits of future GOA groundfish participation relative to the potential benefits gained from a more efficient operation in the BSAI, potentially brought about by a larger vessel. It is also possible that the improved operating efficiency resulting from vessel replacement or rebuilding could alter the economics, such that operating in both the BS pollock fishery and the GOA groundfish fishery becomes desirable.

It is possible that some AFA non-exempt catcher vessels may coordinate their choices with other AFA vessels. For example, it is possible that an older vessel with substantial GOA activity may be rebuilt or replaced by a vessel that disqualifies it from entering the GOA fisheries, but first exchanges its license with another (possibly newer) AFA vessel with little or no GOA history to allow that other vessel to fish in the GOA. By defining GOA eligibility on the license assigned to a vessel at the time of rebuilding or replacement, this option allows for greater coordination across AFA vessels, which could result in changes in participation patterns of AFA vessels in GOA fisheries. These changes in participation should maintain similar opportunities for efficiency improvements in the AFA catcher vessel fleet, as a whole, under this option, in comparison to Alternative 2 alone.

### ***Economic Spillover and Redistribution***

Given that AFA non-exempt catcher vessels could be replaced or rebuilt under this option, while maintaining their eligibility to fish in the GOA, there is some potential these rebuilt or replacement vessels to impact other GOA groundfish trawl vessels. As seen in Table 1-40 and Table 1-41, there are a number of non-AFA trawl vessels that are active in the GOA pollock, Pacific cod, flatfish, and rockfish fisheries in the GOA. In 2011, there were 20 AFA non-exempt catcher vessels that have a GOA trawl-endorsed LLP license and 57 AFA non-exempt catcher vessels that do not have a GOA-endorsed LLP license. Many of these 20 AFA non-exempt catcher vessels with GOA-endorsed LLP licenses, have an MLOA large enough to support some lengthening

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of the vessel, if replaced or rebuilt. Owners of the 57 AFA non-exempt catcher vessels would have to secure an LLP license with a GOA endorsement and a MLOA to accommodate the replacement or rebuilt vessel length.

Potential implications to GOA groundfish fisheries exist when an AFA catcher vessel owner wants to build a replacement or rebuilt vessel that is longer than vessel's MLOA. Under this option, the vessel owner could purchase a GOA-endorsed LLP license with a MLOA that can accommodate the new vessel length at the time of replacement or rebuilding. As noted in Table 1-51, there are a total of 97 Central GOA-endorsed LLP licenses and a total of 78 Western GOA-endorsed LLP licenses. Although it is not possible to determine if any AFA catcher vessel owners will purchase a GOA-endorsed LLP license with a MLOA that can accommodate larger replacement or rebuilt vessel, the number of LLP licenses with Central GOA and Western GOA endorsements indicates that this is a distinct possibility.

The more likely effect, however, arises from the entry of AFA vessels that have not increased in size, but instead are freed up by other AFA vessels increasing their harvest capacity in the BS. For example, if a few vessels in a cooperative are replaced by vessels with substantially greater harvest capacity, it is possible that other vessels in that cooperative that have not been replaced or rebuilt may enter the GOA fisheries with either their own GOA-endorsed license or possibly with a transferred license from either another AFA vessel or a non-AFA vessel. The effects of this type of entry will be limited by GOA sideboards, natural constraints on efficiency gains that might deter this practice, and by the availability of licenses needed to qualify the various vessels for the BS and GOA fisheries.

To help protect non-AFA vessels, the Council developed sideboards to prevent AFA vessels from increasing their catch in other fisheries. Other factors that could limit impacts of replacement and rebuilt vessels on exempt vessels and non-AFA vessels are discussed in detail in Section 1.9.1. Although GOA sideboards were designed to limit the impacts of AFA vessels on other GOA groundfish participants, there is a potential for replaced or rebuilt AFA non-exempt catcher vessels to impact exempt vessels and non-AFA vessels. A primary reason for these impacts comes from non-AFA vessels increasing their dependency on some GOA groundfish fisheries in recent years. As noted in Table 1-44, Table 1-45, and Table 1-46, harvest by the AFA non-exempt catcher vessels is well below the sideboard limit during the 2007 through 2011 period. The value of the foregone GOA sideboard fisheries (see Table 1-48 and Table 1-49) could provide an economic incentive for replacement or rebuilt AFA non-exempt vessels to change their fishing behavior to capture more of the unexploited sideboard species, especially during periods of low BS pollock abundance. Although a sideboard limit is not a specific allocation, if the AFA non-exempt vessels doubled their sideboard harvest in the Central GOA pollock fishery, both AFA exempt vessels and non-AFA trawl vessels would see a reduced pollock harvest. In the Western GOA pollock, a fully harvested sideboard limit (60% of the TAC) would reduce pollock harvest significantly for non-AFA trawl vessels. For Pacific cod, the sector splits implemented in 2012 has increased the potential for impacts to other GOA participants. For other groundfish fisheries, the sideboard limits are significantly less than the TACs, so there is little chance of negative impacts to other GOA participants.

## **Option 2.2**

Under Option 2.2, a **replacement or rebuilt AFA non-exempt catcher vessel is prohibited from operating in the GOA if the vessel's LOA exceeds the most restrictive MLOA specified on any GOA LLP license assigned to the AFA vessel at the time the Coast Guard Act was approved (October 15, 2010)**. LLP licenses endorsed only for the BS are not considered in determining the constraining MLOA. By applying the license restriction on October 15, 2010, it is assumed this option defines vessels that are and are not eligible to continue in the GOA, if those vessels are replaced or rebuilt. **Based on that assumption, replacement or rebuilt AFA non-exempt catcher vessels not specified on a GOA-endorsed LLP license at the time the Coast Guard Act was approved are prohibited from participating in the GOA.** Vessels that are not replaced or rebuilt are free to enter the GOA fisheries, provided they carry the requisite LLP license and endorsements.

On October 15, 2010, there were a total of 20 AFA non-exempt catcher vessels that were active in the GOA groundfish fisheries (see Table 1-53 and Table 1-56). Of the 20 AFA non-exempt catcher vessels with GOA-endorsed LLP licenses, 12 vessels are within 10 feet of their MLOA, 5 vessels are within 10 feet and 20 feet of their MLOA, and 4 vessels are within 20 feet and 50 feet of their MLOA. Fifteen of the AFA non-exempt catcher vessels have a Central GOA endorsement and 9 vessels have Western GOA endorsement. Four non-exempt vessels have both a Central and Western GOA endorsement.

***Production Efficiency***

This option reduces production efficiency gains slightly from Alternative 2 and the other options. Similar to Alternative 2 and other options, owners of AFA non-exempt catcher vessels may replace or rebuild their vessels in order to improve production efficiency through more efficient hull forms or more efficient propulsion systems. However, this option limits participation in the GOA for rebuilt or replacement AFA non-exempt vessels. As just noted in the preceding paragraph, there were 20 AFA non-exempt catcher vessels active in the GOA, and these 20 vessels are the only vessels that can be rebuilt or replaced and still continue to participate in the GOA. These 20 AFA non-exempt catcher vessels can be replaced or rebuilt only up to the most restrictive MLOA of any GOA LLP license assigned to the vessel on October 15, 2010. As shown in Table 1-53, the 20 AFA non-exempt vessels currently range in length from 88 feet to 165 feet. Nearly all of the vessels were built in the seventies and eighties, with one vessel built in 1969 and one vessel built in 1990.

Table 1-53 Vessel length, year built, MLOA, and GOA endorsements from LLP license(s) assigned to the 20 Non-exempt AFA catcher vessels that were active in the GOA on October 15, 2010

Vessel length (feet)	MLOA (feet)	Year built	Western GOA endorsement	Central GOA endorsement
88	132	1979		X
92	110	1980		X
94	113	1980		X
96	116	1988		X
98	112	1987	X	
99	124	1990	X	X
102	103	1979	X	X
109	124	1988		X
114	124	1975		X
116	104	1969	X	
	124			X
121	124	1978	X	
121	124	1979	X	X
123	124	1977	X	
123	124	1979		X
123	124	1979		X
123	124	1980	X	
123	124	1980	X	
124	124	1978		X
133	133	1987		X
165	210	1982		X

Source: RAM LLP file and AK vessel file

Table from AFA\_GOA\_GT\_HP(11-30)-3 file

This option, relative to Alternative 2 and the other AFA non-exempt catcher vessel options, provides less flexibility to the owner of the AFA non-exempt catcher vessel. In other words, reassignment of licenses that have a larger MLOA at the time of rebuilding or replacing the vessel will not allow the vessel to be extended beyond the MLOA of the most restrictive GOA-endorsed LLP license on the vessel on the date specified in the Coast Guard Act. Based on the LLP license assigned to the AFA non-exempt vessels on October 15, 2010, ten



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vessels have licenses that allow for increasing the vessel length greater than 5 feet, while the remaining vessels are limited to less than 5 feet for increasing the length of the vessel. This limitation could deter some vessel owners from rebuilding or replacing a vessel, if that vessel historically participated in the GOA fisheries.

### ***Economic Spillover and Redistribution***

Option 2.2 is likely to result in less chance of economic spillover to non-AFA GOA groundfish participants than Alternative 2 or other AFA non-exempt catcher vessel options. Similar to Alternative 2 and other options, AFA non-exempt catcher vessels with GOA-endorsed LLP licenses can now be replaced or rebuilt to a larger length, so there is the potential for replacement or rebuilt vessels to impact other GOA groundfish vessels. As seen in Table 1-40 and Table 1-41, there are a number of trawl vessels that are active in the GOA pollock, Pacific cod, flatfish, and rockfish fisheries in the GOA. Although GOA groundfish sideboards provide an upper limit for AFA non-exempt catcher vessels, there still exists the potential for replaced or rebuilt AFA catcher vessels to impact non-AFA trawl vessels.

However, unlike Alternative 2 and Option 2.1, this alternative specifies 20 specific GOA eligible AFA non-exempt catcher vessels that can be replaced or rebuilt and participate in the GOA. This limitation on vessel replacement and rebuilding for GOA active AFA vessels could limit negative impacts on AFA exempt and non-AFA vessels active in the GOA groundfish fisheries relative to Alternative 2 and other options. However, there are some potential impacts to AFA exempt vessels and non-AFA vessels. As shown in Table 1-40, Table 1-41, Table 1-54, and Table 1-55, these 20 AFA non-exempt catcher vessels that participated in the GOA, retained significantly less GOA groundfish, relative to the non-AFA catcher vessels. One explanation for the lack of GOA groundfish catch is likely their fishing effort in the BS pollock fishery. Taking into consideration total exvessel value from both BSAI and GOA groundfish fisheries for these vessels over the 2007 through 2011 period, BS pollock and Pacific cod fisheries contributed 88% of their total exvessel revenue, while the remaining 12% was from the GOA groundfish fisheries. The value of the foregone GOA sideboard fisheries could provide an incentive for the owners of the 20 AFA non-exempt catcher vessels that are able to rebuild or replace with larger vessels to consolidate BS pollock quota on other AFA vessels so as to increase their fishing effort in the GOA. During periods of low BS pollock abundance, there could be increased incentive for consolidation in the BS to take advantage of fishing opportunities in the GOA groundfish fisheries. GOA fisheries most likely to be impacted from increasing fishing effort by these 20 AFA non-exempt catcher vessels would be Central and Western GOA pollock. GOA Pacific cod sector allocations in 2012 could increase the potential for impacts to exempt vessels and non-AFA vessels. Other GOA groundfish fisheries are not likely impacted by this option since the GOA sideboard limits are significantly lower than the TACs, and catch by AFA exempt and non-AFA vessels are modest. Additionally, as previously referenced, stand-down requirements, exclusive fishing seasons, and the pollock trip limit will also inhibit impacts to AFA exempt and non-AFA vessels active in the GOA from replaced or rebuilt AFA non-exempt vessels.

In considering the effects of this option, it should be noted that any vessel that is not replaced or rebuilt could still enter the GOA fishery, provided the vessel carries an LLP license that qualifies it for the fishery. As a result, AFA vessels replaced or rebuilt could still impact AFA exempt and non-AFA vessels in the GOA fisheries by participants entering with licenses from current participants who choose to exit after replacement or rebuilding. If AFA participants choose to take advantage of these opportunities to enter vessels that have not be rebuilt or replaced, the differences between this option and the other options for non-exempt vessels are limited.

Table 1-54 Number of AFA non-exempt catcher vessels that were active in the GOA subareas on October 15, 2010 by species from 2003 through 2011

Area	Year	Pollock	Pacific cod	Atka mackerel	Flatfish	Rockfish	Sablefish
Central GOA	2003	8	5	0	8	6	4
	2004	8	7	0	8	5	4
	2005	6	5	0	5	6	2
	2006	6	6	0	6	6	5
	2007	6	4	1	5	5	2
	2008	7	5	2	5	5	3
	2009	6	6	2	6	5	2
	2010	5	5	1	5	4	2
Western GOA	2003	6	7	2	6	5	0
	2004	6	6	3	4	2	0
	2005	7	7	2	5	4	0
	2006	4	4	3	4	3	2
	2007	5	4	2	4	3	1
	2008	3	3	2	3	3	1
	2009	4	4	1	4	1	1
	2010	5	5	3	5	3	2
2011	2	2	2	2	2	1	

Source: RAMLLP file, AK Vessel file, AK Region Sources, and Blend data

Table 1-55 Retained catch (mt) for AFA non-exempt catcher vessels that are active in the GOA subareas by species from 2003 through 2011

Area	Year	Pollock	Pacific cod	Atka mackerel	Flatfish	Rockfish	Sablefish
Central GOA	2003	2,279	407	0	96	584	32
	2004	2,088	242	0	98	512	28
	2005	2,093	148	0	344	314	*
	2006	2,480	196	0	296	467	28
	2007	2,910	143	*	657	719	*
	2008	2,578	260	*	759	736	*
	2009	993	281	*	551	412	*
	2010	3,370	529	*	726	652	*
	2011	2,718	803	*	867	509	*
Western GOA	2003	3,187	88	*	9	9	0
	2004	4,684	87	*	6	*	0
	2005	4,836	90	*	17	1	0
	2006	4,425	6	*	11	*	*
	2007	1,875	171	*	7	*	*
	2008	*	*	*	*	*	*
	2009	929	17	*	20	*	*
	2010	3,887	337	*	302	*	*
	2011	*	*	*	*	*	*

Source: RAMLLP file, AK Vessel file, AK Region Sources, and Blend data

\* Withheld for confidentiality

### Option 2.3

Option 2.3, in contrast to the previous two options and Alternative 2, takes a different approach to limiting AFA replacement or rebuilt vessels operating in the GOA. This option is a vessel replacement limitation based on the registered length, tons, and horsepower of the existing AFA catcher vessel. Under this option, **a replacement or rebuilt AFA vessel cannot exceed by more than 10 percent the original registered length (LOA), gross registered tons, or shaft horsepower of the replaced AFA catcher vessel active on October 15, 2010.** The replacement or rebuilt vessel would still require a LLP license with the appropriate GOA endorsement and MLOA.

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On October 15, 2010, a total of 77 non-exempt AFA catcher vessels were active in the BSAI and GOA groundfish fisheries. Table 1-56 shows the vessel length (feet), gross tons, and horsepower of these AFA catcher vessels, as well as the maximum vessel length, gross tons, and horsepower based on an increase of 10%.

### ***Production Efficiency***

The restriction to not exceed 10 percent of the original vessel's registered length, gross registered tons, and shaft horsepower will limit the scope of efficiency gains for replaced or rebuilt non-exempt AFA catcher vessels active in the GOA groundfish fisheries. Restricting a replacement or rebuilt AFA non-exempt catcher vessel in this way could limit the available choices on hull designs and propulsion systems, thereby potentially reducing operational efficiency of replacement or rebuilt vessels. Relative to Alternative 2 and Option 2.1, the overall production efficiency gains under this option are likely less. However, relative to Option 2.2, the gains in production efficiency on the whole from Option 2.3 are likely higher, since this option does permit any rebuilt and replacement AFA non-exempt catcher vessel to participate in the GOA, as long as the vessel is named on a GOA-endorsed LLP license with a permissible MLOA.

### ***Economic Spillover and Redistribution***

In addition to AFA vessels active in the GOA groundfish fisheries, there is also a number of non-AFA trawl vessels active in these fisheries as seen in Table 1-40 and Table 1-41. To protect non-AFA trawl vessels and AFA exempt vessels in the GOA groundfish fisheries, the Council sideboarded the AFA non-exempt catcher vessels in these fisheries. However, even with the sideboard limits there still exists the potential for replacement or rebuilt AFA non-exempt catcher vessels to impact non-AFA trawl vessels and AFA exempt vessels in these fisheries. The fisheries most likely to be impacted by this option are the Central GOA and Western GOA pollock. As noted in Table 1-44 and Table 1-45, if the AFA non-exempt catcher vessels doubled their pollock sideboard harvest in these two areas, both non-AFA trawl vessels and AFA exempt vessels would likely see reduced pollock harvest. GOA Pacific cod sector allocations, which were implemented in 2012, could increase the potential for impacts to exempt vessels and non-AFA vessels. Other GOA groundfish fisheries would likely not be impacted by this option, since they are not fully utilized and the sideboard limit for each of these fisheries is significantly less than the TAC for these fisheries. Other limitations like stand-downs, exclusive fishing seasons, and the pollock trip limit, treated above, will also inhibit fishing impacts from replaced and rebuilt non-exempt vessels.

Despite this option being more restrictive on entry to the GOA fisheries by rebuilt or replacement vessels relative to Alternative 2 and Option 2.1, the ability of AFA vessels to move permits among vessels to facilitate entry to the GOA fisheries by vessels that have not been replaced or rebuilt could limit the effect of this option at reducing economic spillover in the GOA groundfish fisheries. As a consequence of this mobility of licenses, it is possible that additional vessels may participate in the GOA fisheries through the strategic movement of licenses among vessels.

Overall, since this option restricts the length, gross tons, and horsepower of rebuilt or replacement AFA vessels that participate in the GOA groundfish fishery compared to Alternative 2 and Option 2.1, it is likely to have less economic spillover in GOA groundfish fisheries. However, this option, relative to Option 2.2, is likely to have a greater potential for economic spillover in the GOA groundfish fisheries since this option would permit any rebuilt or replacement AFA non-exempt catcher vessel with a GOA-endorsed LLP license and the appropriate MLOA to participate in the GOA groundfish fisheries. Option 2.2 limits participation in the GOA groundfish fisheries for rebuilt or replacement AFA non-exempt vessels to those 20 vessels with GOA-endorsed LLP licenses on October 15, 2010.

Table 1-56 Vessel length, gross tons, and horsepower along with maximums for non-exempt AFA catcher vessels active in 2010 with Central and Western GOA LLP license endorsements

Vessel length (feet)	Maximum vessel length (feet)	Gross tons	Maximum gross tons	Horsepower	Maximum horsepower	CGOA endorsement	WGOA endorsement
73	80	178	196	1,260	1,386		
85	94	177	195	900	990		
87	96	171	188	900	990		
88	97	175	193	1,400	1,540	X	
90	99	181	199	700	770		
90	99	188	207	1,000	1,100		
92	101	192	211	1,200	1,320	X	
94	103	190	209	1,200	1,320	X	
96	106	184	202	1,200	1,320		
96	106	176	194	1,200	1,320	X	
97	107	194	213	850	935		
98	108	192	211	940	1,034		X
99	109	190	209	1,175	1,293		
99	109	198	218	1,248	1,373	X	X
102	112	182	200	1,200	1,320	X	X
103	113	135	149	1,800	1,980		
105	116	195	215	1,725	1,898		
107	118	175	193	1,275	1,403		
107	118	199	219	1,200	1,320		
108	119	199	219	1,125	1,238		
109	120	199	219	1,285	1,414	X	
110	121	199	219	1,400	1,540		
110	121	187	206	1,250	1,375		
112	123	198	218	1,285	1,414		
114	125	191	210	1,283	1,411	X	
116	128	171	188	2,000	2,200	X	X
117	129	183	201	1,500	1,650		
118	130	190	209	1,500	1,650		
120	132	197	217	1,710	1,881		
121	133	198	218	850	935		X
121	133	198	218	850	935	X	X
122	134	192	211	1,810	1,991		
123	135	196	216	2,000	2,200		
123	135	195	215	1,125	1,238		X
123	135	196	216	1,175	1,293		
123	135	199	219	1,810	1,991		
123	135	192	211	1,100	1,210		
123	135	193	212	1,125	1,238	X	
123	135	195	215	1,550	1,705	X	
123	135	197	217	1,150	1,265		
123	135	276	304	1,800	1,980		X
123	135	199	219	1,700	1,870		X
124	136	196	216	1,175	1,293		
124	136	189	208	1,280	1,408		
124	136	195	215	2,000	2,200		
124	136	190	209	1,750	1,925	X	
124	136	199	219	1,550	1,705		
124	136	182	200	1,650	1,815		
124	136	168	185	1,710	1,881		
125	138	197	217	1,400	1,540		
125	138	195	215	2,000	2,200		
126	139	184	202	1,500	1,650		
130	143	268	295	1,150	1,265		
130	143	193	212	1,280	1,408		
132	145	187	206	1,525	1,678		
132	145	190	209	1,525	1,678		
133	146	291	320	2,000	2,200	X	
135	149	275	303	1,750	1,925		
143	157	199	219	1,800	1,980		
148	163	180	198	1,125	1,238		
149	164	285	314	1,125	1,238		
149	164	193	212	3,000	3,300		
149	164	958	1,054	4,020	4,422		
155	171	896	986	1,800	1,980		
155	171	896	986	1,800	1,980		
155	171	892	981	1,800	1,980		
162	178	453	498	1,800	1,980		
165	182	394	433	2,250	2,475		
165	182	394	433	2,400	2,640	X	
166	183	198	218	1,700	1,870		
172	189	450	495	4,000	4,400		
176	194	1,249	1,374	5,000	5,500		
176	194	1,249	1,374	6,000	6,600		
180	198	296	326	2,250	2,475		
180	198	1,412	1,553	6,160	6,776		
180	198	459	505	3,000	3,300		
184	202	1,067	1,174	2,400	2,640		

Source: Vessel length is from FFP, gross tons, and horsepower from AKFIN  
Table is from AFA\_GT\_HP-nodupes(12-17)

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#### **1.11.4 Option for Sideboard-exempt Vessels**

##### **Option 2.4**

This option applies specifically to GOA sideboard-exempt AFA catcher vessels. Under Option 2.4, an AFA sideboard-exempt catcher vessel may not exceed the MLOA specified on the GOA LLP license assigned to the vessel on the date the Coast Guard Act was approved (i.e., October 15, 2010) and continue to participate in the GOA fisheries. Although this option allows an AFA sideboard-exempt catcher vessels participating in the GOA groundfish fisheries to be replaced or rebuilt and continue to participate in the GOA fisheries, it is more restrictive than Alternative 2, which only requires a GOA-endorsed LLP license with an MLOA that does not exceed the length of the replacement or rebuilt vessel. In any case, vessels subject to this provision would be permitted to replace or rebuild the vessel beyond the MLOA on the GOA LLP license assigned to the vessel on October 15, 2010, but would then be prohibited from participating in GOA fisheries.

As noted in Table 1-39, there were 15 active AFA catcher vessels that are exempt from the GOA groundfish sideboards. Of the 15 active AFA exempt vessels, 3 are within 10 feet of the MLOA on their GOA-endorsed LLP license, so these 3 vessels could only increase their vessel length by at most 10 feet and maintain their ability to fish in the GOA. Of the remaining sideboard-exempt AFA catcher vessels, 10 are between 10 feet and 20 feet shorter than the MLOAs on their GOA-endorsed LLP license, and 2 are between 20 feet and 50 feet shorter than their GOA-endorsed LLP license. Each of the 15 exempt vessels has a Central GOA endorsement and 11 have Western GOA endorsements.

##### ***Production Efficiency***

In general, this option provides the owners of AFA sideboard-exempt catcher vessels with the ability to replace or rebuild their vessels, which could provide improved production efficiency relative to the current regulations. However, this option would limit the potential for greater efficiency gains, relative to Alternative 2, since the option prohibits replacement or rebuilt AFA sideboard-exempt catcher vessels from participating in the GOA if the vessel length exceeds the MLOA on the GOA-endorsed LLP license. Vessel owners will presumably take into consideration the costs and benefits of exceeding the MLOA on rebuilding or replacing the vessel and participating in the GOA groundfish fisheries. In general, given the importance of the GOA groundfish fisheries for these AFA sideboard-exempt catcher vessels (Table 1-20 and Table 1-21), these vessels are likely not to replace or rebuild their vessels beyond the MLOA vessel length so they can continue to participate in the GOA groundfish fisheries.

##### ***Economic Spillover and Redistribution***

The effect of this option, relative to Alternative 2, is not anticipated to have a substantial impact on non-AFA trawl vessels in the GOA groundfish fisheries, since the proposed option prohibits replacement or rebuilt vessels that exceed the MLOA of the GOA LLP license assigned to the vessel from participating in these fisheries. This option could allow those vessels with a MLOA large enough for replacement or rebuilding to be more competitive in the GOA fisheries, but non-AFA vessels in those fisheries can maintain their competitiveness by similarly replacing or rebuilding their vessels (as is permitted by their LLPs MLOA). Owners of these non-AFA vessels, in some cases, may have fewer resources relative to AFA vessels, as the AFA allocations provide some financial security to their holders.

#### **1.11.5 Vessel Removal Provision**

At the February 2013 meeting, the Council included a vessel removal provision in its PPA, namely that if the owner of an AFA catcher vessel that is exempt from sideboard limitations removes that vessel from the AFA fishery, NMFS will permanently extinguish that sideboard limitation.

The Coast Guard Act enables an owner of an AFA catcher vessel participating in a cooperative that delivers to a shoreside processor to remove the vessel from the Bering Sea pollock fishery and assign the vessel's directed

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pollock fishing allowance to other vessels in the cooperative.<sup>66</sup> The Council action makes clear that upon removal of a catcher vessel that has an exemption from any sideboard limits, NMFS will permanently extinguish that exemption; the sideboard exemption is not transferred to any other vessel.

The ability to remove an inshore-eligible AFA catcher vessel from the AFA fishery would not result in an increase AFA participation in other groundfish fisheries. When the AFA catcher vessel is removed from the pollock fishery, NMFS will assign the vessel's portion of the directed pollock fishing allowance to the vessel or vessels participating in that fishery cooperative, chosen by the owner(s). The removed vessel can be designated to replace another AFA vessel (in which case it would be characterized as a replacement vessel, but would NOT reacquire the extinguished sideboard exemption). In addition, four specific AFA catcher vessels retain their eligibility to receive a fishery endorsement to participate in any fishery under the authority of the New England Fishery Management Council or the Mid-Atlantic Fishery Management Council in accord with fishery management plans adopted by those Councils under the Magnuson-Stevens Act.<sup>67</sup> Otherwise, the removed vessel is permanently ineligible for a fishery endorsement and cannot participate in any fishery within the exclusive economic zone of the U.S., and therefore, could not affect other fisheries.

To comply with these removal provisions, NMFS will need to: 1) receive notice of an inshore catcher vessel's removal; 2) receive notice of the vessel or vessels in the AFA fishery cooperative to which the owner of the removed vessel wishes to assign the directed pollock allowance of the removed vessel; 3) transfer that allowance to the vessel or vessels; and 4) track the recipient vessel or vessels to ensure that they remain in the cooperative for a least one year following receipt of the directed pollock fishing allowance.

#### **1.11.6 Potential Effects on Net Benefits to the Nation**

Overall, this action is likely to have a positive, but limited, effect on net benefits realized by the Nation. Under Alternative 2 and the options, AFA vessels can be replaced or rebuilt. Generally, Alternative 2 and any of the options would be expected to allow vessel replacement or rebuilding in cases where the efficiency gains realized by the vessel owner exceed the costs of rebuilding or replacing the vessel and, therefore, may encourage fishing practices that are more likely to result in fully harvesting the pollock and Pacific cod TAC that are assigned to the AFA sectors. To the extent that vessel replacement or rebuilding of vessels allows harvesters additional time to focus on improving quality, retention, market development, and product forms, there may be some consumer benefits realized by the proposed action. Conceivably, the proposed action may increase the production efficiency of a harvester by allowing the use of more efficient vessels or the consolidation of fishing operations from multiple vessels on a single vessel. In addition, all replacement vessels will be classed and loadlined and rebuilt vessels will be required to meet the ACSA standards, therefore the safety of the AFA fleet will likely improve. With a safer AFA fleet, there are likely to be fewer deaths amongst the crew on the AFA vessels.

Alternative 2 would provide the owners of AFA vessels with the greatest flexibility and opportunity to realize these benefits, while Option 2.1 and Option 2.3 provides non-exempt AFA catcher vessels with less flexibility and opportunity for realized benefits. Option 2.2 provides the least opportunity for realized operational efficiency gains, relative to Alternative 2, Option 2.1, and Option 2.3. For AFA sideboard-exempt catcher vessels active in the GOA, Option 2.4 provides diminished opportunity for realized production efficiency gains compared to status quo. The vessel removal provision allows the owner of an AFA catcher vessel to remove an AFA catcher vessel from the AFA fishery. It is likely that owners will remove vessels that are either inactive in the fishery or are inefficient participants in the fishery.

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<sup>66</sup> This provision does not apply to AFA catcher vessels that participate in a mothership cooperative. For AFA catcher vessels that deliver to inshore cooperatives, pollock quota is allocated to the inshore cooperative based on the pollock catch history of the member vessels. For AFA catcher vessels that deliver to AFA motherships, the vessel's pollock catch history is not necessary in determining the pollock allocation to the cooperative.

<sup>67</sup> The four vessels are the AJ (US official number 905625), DONA MARTITA (US official number 651751), NORDIC EXPLORER (US official number 678234) and PROVIDIAN (US official number 1062183. Section 602 (b)(3) of the Coast Guard Act *adding* AFA section 210(b)(7)(C).

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## 2.0 INITIAL REGULATORY FLEXIBILITY ANALYSIS

The Regulatory Flexibility Act (RFA), first enacted in 1980, and codified at 5 U.S.C. 600–611, was designed to place the burden on the government to review all regulations to ensure that, while accomplishing their intended purposes, they do not unduly inhibit the ability of small entities to compete. The RFA recognizes that the size of a business, unit of government, or nonprofit organization frequently has a bearing on its ability to comply with a federal regulation. Major goals of the RFA are (1) to increase agency awareness and understanding of the impact of their regulations on small business; (2) to require that agencies communicate and explain their findings to the public; and (3) to encourage agencies to use flexibility and to provide regulatory relief to small entities.

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

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

The IRFA must contain:

1. A description of the reasons why action by the agency is being considered;
2. A succinct statement of the objectives of, and the legal basis for, the proposed rule;
3. A description of, and where feasible, an estimate of the number of small entities to which the proposed rule will apply (including a profile of the industry divided into industry segments, if appropriate);
4. A description of the projected reporting, record keeping, and other compliance requirements of the proposed rule, including an estimate of the classes of small entities that will be subject to the requirement and the type of professional skills necessary for preparation of the report or record;
5. An identification, to the extent practicable, of all relevant federal rules that may duplicate, overlap, or conflict with the proposed rule;
6. A description of any significant alternatives to the proposed rule that accomplish the stated objectives of the Magnuson-Stevens Act and any other applicable statutes, and that would minimize any significant adverse economic impact of the proposed rule on small entities. Consistent with the stated objectives of applicable statutes, the analysis shall discuss significant alternatives, such as:
  - a. The establishment of differing compliance or reporting requirements or timetables that take into account the resources available to small entities;
  - b. The clarification, consolidation, or simplification of compliance and reporting requirements under the rule for such small entities;
  - c. The use of performance rather than design standards;
  - d. An exemption from coverage of the rule, or any part thereof, for such small entities.

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

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

## **2.1 Definition of a Small Entity**

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

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

The SBA has established size criteria for all major industry sectors in the United States, including fish harvesting and fish processing businesses. Effective July 22, 2013, a business involved in finfish or shellfish harvesting is a small business if it is independently owned and operated and not dominant in its field of operation (including its affiliates), and if it has combined annual receipts not in excess of \$19.0 million for all its affiliated operations worldwide in the case of a finfish business, and \$5.0 million in the case of a shellfish business. A seafood processor is a small business if it is independently owned and operated, not dominant in its field of operation (including its affiliates) and employs 500 or fewer persons, on a full-time, part-time, temporary, or other basis, at all its affiliated operations worldwide. A business involved in both the harvesting and processing of finfish products is a small business if it meets the \$19 million criterion for finfish harvesting operations. A wholesale business servicing the fishing industry is a small business if it employs 100 or fewer persons on a full-time, part-time, temporary, or other basis, at all its affiliated operations worldwide.

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

Affiliation may be based on stock ownership when (1) A person is an affiliate of a concern if the person owns or controls, or has the power to control 50 percent or more of its voting stock, or a block of stock which affords



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

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

Small organizations: The RFA defines “small organizations” as any nonprofit enterprise that is independently owned and operated and is not dominant in its field.

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

## **2.2 Reason for Considering the Proposed Action**

The purpose of the proposed action is twofold. First, the BSAI Groundfish FMP and groundfish regulations need to be brought into compliance with Section 602 of the Coast Guard Authorization Act of 2010, which was signed into law on October 15, 2010 and which amended the AFA. Currently, the language in both the BSAI Groundfish FMP and groundfish regulations are not consistent with the AFA as amended by the Coast Guard Act. To correct these inconsistencies, NMFS will adopt changes to bring the BSAI Groundfish FMP and groundfish regulations into compliance with the AFA as amended by the Coast Guard Act.

Secondly, in complying with Coast Guard Act amendments to the AFA, the Council is considering measures to prevent newly authorized AFA rebuilt and replacement vessels from increasing their fishing effort in the GOA. The Coast Guard Act expressly authorizes the Council to recommend for approval by the Secretary of Commerce conservation and management measures, including size limits and measures to control fishing capacity, to ensure that the Coast Guard Act does not diminish the effectiveness of the fishery management plan for the BSAI and the GOA.

The Council included the following problem statement for this action at the February 2012 meeting:

*Groundfish sideboard protections are included in the AFA to prevent participating AFA vessels from increasing fishing effort beyond historical catch in the GOA. Ambiguities exist pertaining to groundfish sideboards in the AFA vessel replacement provisions of the Coast Guard Authorization Act of 2010 (Act). For vessels with multiple licenses, it is unclear whether the MLOA on the Bering Sea LLP or the GOA LLP applies to a replacement vessel when fishing in the GOA. Additionally, if an AFA vessel exempt from the GOA sideboards is removed from the fishery and assigns its pollock quota to another vessel, the Act is unclear whether the GOA exemption is transferable in addition to the pollock quota. Action is needed to clarify vessel replacement provisions of the Act and prevent increased capacity in the GOA groundfish fisheries by AFA vessels.*

## **2.3 Objectives of, and the Legal Basis for, the Proposed Rule**

The objective of the proposed action is to bring the BSAI Groundfish FMP and associated groundfish regulations into compliance with existing statutory law brought about by the Coast Guard Authorization Act of 2010, which was signed into law on October 15, 2010, and to prevent AFA vessel replacement provisions from increasing fishing effort beyond historical catch in the GOA. This objective is encompassed by authorities

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contained in the Magnuson-Stevens Act. Under the Magnuson-Stevens Act, the United States has exclusive management authority over all living marine resources found within the EEZ. The management of marine fishery resources is vested in the Secretary of Commerce, with advice from the Regional Fishery Management Councils. The groundfish fisheries in the EEZ off Alaska are managed under the FMP for Groundfish of the BSAI and the FMP for Groundfish of the GOA.

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

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

## **2.4 Number and Description of Small Entities Regulated by the Proposed Action**

This action would directly regulate AFA catcher/processors, catcher vessels, and motherships. For AFA catcher/processors, the AFA specifically lists 20 catcher/processors eligible to participate in the offshore fisheries. One additional “head-and-gut” catcher/processor met the requirements in the AFA that allows it to harvest and process up to 0.5% of the directed BSAI pollock allocated to catcher/processors. All combined, there are 21 AFA catcher/processors that are issued an AFA permit and are eligible to participate in the BSAI pollock fishery.

A total of 99 catcher vessels initially qualified for the inshore fleet. In addition, the AFA specifically listed seven catcher vessels that are eligible to deliver BSAI offshore pollock to catcher/processors and 19 catcher vessels that are eligible to deliver BSAI offshore pollock to three AFA motherships. Of those 19 vessels, 14 were “dual qualified” to deliver inshore and to deliver to a mothership. A total of 112 unique catcher vessels qualified initially for an AFA permit making them eligible to participate in the directed BSAI pollock fishery. In 2013, due to vessel replacement or removal, a total of 105 catcher vessels hold AFA permits.<sup>68</sup>

For AFA motherships, the AFA specifically lists three vessels that are eligible motherships and these three vessels have continued to receive AFA mothership permits.

NMFS has reviewed data on vessel gross revenues and affiliations and has determined that all entities directly regulated by this action are large entities.<sup>69</sup>

All AFA catcher/processors are affiliated through membership in the Pollock Conservation Cooperative; the members of this cooperative had estimated 2012 gross revenues from pollock alone in excess of \$500 million.<sup>70</sup> Thus these are large entities.

All AFA catcher vessels are members of one of eight cooperatives delivering pollock to inshore processing plants, to motherships, or to catcher/processors. The cooperative of catcher vessels delivering to catcher/processors was closely affiliated with the catcher/processor cooperative, and thus the member entities are large. The seven cooperatives delivering to processing plants or motherships had gross revenues from

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<sup>68</sup> AFA-permitted vessels in 2013: <https://alaskafisheries.noaa.gov/ram/afa.htm>.

<sup>69</sup> This analysis has been carried out using the new \$19 million small entity threshold for finfish fishing published by the Small Business Administration on June 20, 2013 with an effective date of July 22, 2013 (78 *FR* 37398).

<sup>70</sup> Evaluated using 2012 total catch and a 2011 price. The 2011 price was used since the 2012 price was not yet available at time of document preparation.

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pollock alone in excess of \$19 million, and/or were affiliated with processing operations that themselves met the large entity threshold of 500 employees for entities of that type, and/or were affiliated with processors who did.

Three motherships accept deliveries of pollock from catcher vessels. While these vessels are authorized to join the cooperative of catcher vessels making such deliveries, they have not recently chosen to do so. However, each of these motherships is believed to be a large entity, based on corporate affiliations with other large processing firms.

## **2.5 Recordkeeping and Reporting Requirements**

This action imposes an additional reporting requirement on the owners of AFA rebuilt vessels, namely after rebuilding a vessel, the owner of an AFA rebuilt vessel will be required to submit to NMFS a copy of the Federal documentation on the rebuilt vessel showing that the vessel has a fishery endorsement. The requirement to submit a certificate of documentation with a fishery endorsement for the rebuilt vessel is a minor requirement because every vessel fishing in the Exclusive Economic Zone must have a certificate of endorsement with a fishery endorsement. It is routine that the owner of a rebuilt vessel would have to submit documentation showing that the vessel still had the documentation required of any vessel to fish in the Exclusive Economic Zone.

Under this action, the owner of an AFA replacement vessel will also be required to submit a copy of the certificate of documentation with a fishery endorsement for the replacement vessel. But this requirement is not new. Under current regulations, when a vessel owner applies for an AFA permit for a replacement vessel, the vessel owner must submit a certificate of documentation with a fishery endorsement for the replacement vessel.<sup>71</sup>

Beyond the requirement for submission of documentation for a rebuilt vessel, recordkeeping and reporting requirements are not expected to change as a result of the proposed action. The action under consideration requires no additional reporting, recordkeeping, or other compliance requirements that differ from the status quo. The owner of a vessel after rebuilding is under the same recordkeeping and reporting requirements as the owner of the vessel before rebuilding. Similarly, the owner of the replacement vessel is under the same recordkeeping and reporting requirements as the owner of the replaced vessel.

NMFS will create an application form that will allow the owner of an AFA vessel to take any of the actions provided for in this measure. The application form will allow the owner of an AFA vessel to notify NMFS of rebuilding an AFA vessel, to apply to replace an AFA vessel, and to apply to remove an AFA vessel.

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

This proposed rule is necessary because existing rules implement the AFA as originally adopted and conflict with the AFA as amended by the Coast Guard Act. Beyond that conflict, no relevant federal rules were identified as duplicating, overlapping, or conflicting with the proposed action under consideration herein.

## **2.7 Description of Significant Alternatives**

This section is intended to provide a description of any significant alternatives to the proposed action that accomplish the stated objectives of the Magnuson-Stevens Act and any other applicable statutes and that would minimize any significant economic impact of the proposed rule on small entities.

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<sup>71</sup> 50 CFR 679(l)(7)(i)(C).

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The Council considered Alternative 1, which was no action; Alternative 2, or the status quo alternative, which is NMFS's interpretation of the AFA amendments in the Coast Guard Act; and Alternatives 2.1, 2.2, 2.3, and 2.4, which were possible conservation and management measures to prevent the participation of AFA vessels in the Gulf of Alaska beyond what was contained in the Coast Guard Act and existing restrictions on AFA vessels. All these alternatives directly regulated only the owners of AFA vessels. No owners of AFA vessels are categorized as small entities based on principles of affiliation. Therefore, none of these alternatives directly regulate small entities.

In addition, the Council adopted Alternative 2 as the Preferred Alternative, which is expected to have the minimum potential adverse economic impact on any directly regulated entity, because it does impose restrictions on the ability of the owners of AFA vessels to rebuild or replace their vessels in accord with their determination whether the benefits from rebuilding or replacing are worth the costs of those actions, beyond the restrictions already required by the AFA amendments and current regulations. Therefore, there are no significant alternatives to the preferred action to be described in this section of the IRFA.

Despite the apparent absence of any directly regulated small entities, an IRFA was prepared because of the limited data on affiliation and ownership of directly regulated entities.

### **3.0 CONSISTENCY WITH APPLICABLE LAW AND POLICY**

This section examines the preferred alternative considered in this action for the replacement, rebuilding and removal of AFA vessels catcher/processor in light of the National Standards and Fishery Impact Statement requirements in the Magnuson-Stevens Act and Executive Order 12866.

#### **3.1 National Standards**

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

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

None of the alternatives considered in this action would affect the sustainability or catch levels of groundfish in the BSAI or GOA, since the action will continue to be managed under the current harvest specifications process. While the alternatives would also generally not affect the ability to achieve the optimum yield from each groundfish fishery, to the extent that the proposed alternatives provide an opportunity for increased utilization of existing catch, they could improve optimum yield.

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

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

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

This action makes no change to how groundfish stocks are assessed or managed in the BSAI and GOA.

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

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

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

This action allows the owners of AFA vessels to replace or rebuild AFA vessels. To the extent that the vessel owners exercise the opportunity provided in this proposed action, this could allow more complete use of the fishery resources and improve efficiency in utilization of the BS pollock and other BSAI and GOA groundfish species harvested by AFA vessels. Similarly, if the owners of catcher vessels exercise the opportunity to remove inactive and inefficient vessels from AFA cooperatives, this could result in a more efficient utilization of fishery resources.

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

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

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

This action imposes no additional costs on industry, and minimal costs on management for compliance, and does not duplicate any other management action.

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

This action is not expected to have adverse impacts on communities or affect community sustainability. None of the action alternatives would extinguish harvest opportunities for vessels with a high degree of economic dependence upon the AFA groundfish fisheries. As discussed in Sections 1.10 and 1.11, this fleet does not have a large impact on coastal communities, and while replacement or rebuilt vessels may be able to reduce port calls during fishing trips, this level of impact is unlikely to result in adverse economic impacts.

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

This proposed action could help to minimize bycatch by allowing the owners of AFA vessels to replace or rebuild their aging vessels. Replacement or rebuilt vessels with newer, more sophisticated technology could provide more opportunities for vessels to fully utilize target and incidental catch species and therefore minimize bycatch.

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

The alternatives proposed should promote safety at sea because it allows the owners of AFA vessels to replace or rebuild existing vessels to improve safety and to improve operational efficiencies. Newer vessels can accommodate improved safety features and minimize the risks faced by vessels or crew.

### **3.2 Section 303(a)(9) – Fisheries Impact Statement**

Section 303(a)(9) of the Magnuson-Stevens Act requires that any management measure submitted by the Council take into account potential impacts on the participants in the fisheries, as well as participants in adjacent fisheries. The impacts on participants in the AFA groundfish fisheries in the BSAI and GOA, and participants in other fisheries, have been comprehensively evaluated in previous sections of this document (see Section 1.11).

### **3.3 BSAI Groundfish FMP Management Policy**

The alternatives and options discussed in this action accord with the management policy of the BSAI Groundfish FMP. The Council's management policy (NPFMC 2011) includes the following objectives:

- Promote increased safety at sea.
- Continue program to reduce discards by developing management measures that encourage the use of gear and fishing techniques that reduce bycatch which includes economic discards.
- Reduce waste to biologically and socially acceptable levels.
- Develop management measures that, when practicable, consider the efficient use of fishery resources taking into account the interest of harvesters, processors, and communities.

By proposing to allow owners of AFA catcher/processor vessels that fish and process pollock and other groundfish species to replace or rebuild their vessels with larger vessels that are safer or more efficient, the Council is consistent with its management policy. By proposing to allow owners of AFA catcher vessels to remove their vessels from inshore cooperatives, the Council is allowing the removal of inactive or inefficient vessels and is consistent with its management policy.

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## 4.0 REFERENCES

- Hockema, Hal. 2012. Large Fishing Vessel Design for Alaska Fisheries, Pacific Fisheries Review, Special Supplement to July 2012.
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## 6.0 APPENDIX A. COAST GUARD AUTHORIZATION ACT OF 2010

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facts and circumstances involved in the appeal and make a judgment regarding the merits of the appeal; or

“(2) have a senior staff member who—

“(A) meets the requirements of paragraph (1);

“(B) actively advises the individual adjudicating the appeal; and

“(C) concurs in writing on the decision on appeal.”.

(b) CLERICAL AMENDMENT.—The analysis for such chapter is further amended by adding at the end the following new item:

“102. Appeals and waivers.”.

### SEC. 525. COAST GUARD ACADEMY.

(a) IN GENERAL.—Chapter 9 of title 14, United States Code, is further amended by adding at the end the following new section:

#### “§ 200. Marine safety curriculum

“The Commandant of the Coast Guard shall ensure that professional courses of study in marine safety are provided at the Coast Guard Academy, and during other officer accession programs, to give Coast Guard cadets and other officer candidates a background and understanding of the marine safety program. These courses may include such topics as program history, vessel design and construction, vessel inspection, casualty investigation, and administrative law and regulations.”.

(b) CLERICAL AMENDMENT.—The analysis for such chapter is further amended by adding at the end the following new item:

“200. Marine safety curriculum.”.

### SEC. 526. REPORT REGARDING CIVILIAN MARINE INSPECTORS.

Not later than 1 year after the date of enactment of this Act, the Commandant of the Coast Guard shall submit to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate a report on Coast Guard’s efforts to recruit and retain civilian marine inspectors and investigators and the impact of such recruitment and retention efforts on Coast Guard organizational performance.

## TITLE VI—MARINE SAFETY

### SEC. 601. SHORT TITLE.

This title may be cited as the “Maritime Safety Act of 2010”.

### SEC. 602. VESSEL SIZE LIMITS.

(a) LENGTH, TONNAGE, AND HORSEPOWER.—Section 12113(d)(2) of title 46, United States Code, is amended—

(1) by inserting “and” after the semicolon at the end of subparagraph (A)(i);

(2) by striking “and” at the end of subparagraph (A)(ii);

(3) by striking subparagraph (A)(iii);

(4) by striking the period at the end of subparagraph (B) and inserting a semicolon; and

(5) by inserting at the end the following:

“(C) the vessel is either a rebuilt vessel or a replacement vessel under section 208(g) of the American Fisheries Act (title II of division C of Public Law 105–277; 112

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Stat. 2681–627) and is eligible for a fishery endorsement under this section; or

“(D) the vessel is a fish tender vessel that is not engaged in the harvesting or processing of fish.”.

(b) CONFORMING AMENDMENTS.—

(1) VESSEL REBUILDING AND REPLACEMENT.—Section 208(g) of the American Fisheries Act (title II of division C of Public Law 105–277; 112 Stat. 2681–627) is amended to read as follows:

“(g) VESSEL REBUILDING AND REPLACEMENT.—

“(1) IN GENERAL.—

“(A) REBUILD OR REPLACE.—Notwithstanding any limitation to the contrary on replacing, rebuilding, or lengthening vessels or transferring permits or licenses to a replacement vessel contained in sections 679.2 and 679.4 of title 50, Code of Federal Regulations, as in effect on the date of enactment of the Coast Guard Authorization Act of 2010 and except as provided in paragraph (4), the owner of a vessel eligible under subsection (a), (b), (c), (d), or (e), in order to improve vessel safety and operational efficiencies (including fuel efficiency), may rebuild or replace that vessel (including fuel efficiency) with a vessel documented with a fishery endorsement under section 12113 of title 46, United States Code.

“(B) SAME REQUIREMENTS.—The rebuilt or replacement vessel shall be eligible in the same manner and subject to the same restrictions and limitations under such subsection as the vessel being rebuilt or replaced.

“(C) TRANSFER OF PERMITS AND LICENSES.—Each fishing permit and license held by the owner of a vessel or vessels to be rebuilt or replaced under subparagraph (A) shall be transferred to the rebuilt or replacement vessel or its owner, as necessary to permit such rebuilt or replacement vessel to operate in the same manner as the vessel prior to the rebuilding or the vessel it replaced, respectively.

“(2) RECOMMENDATIONS OF NORTH PACIFIC FISHERY MANAGEMENT COUNCIL.—The North Pacific Fishery Management Council may recommend for approval by the Secretary such conservation and management measures, including size limits and measures to control fishing capacity, in accordance with the Magnuson-Stevens Act as it considers necessary to ensure that this subsection does not diminish the effectiveness of fishery management plans of the Bering Sea and Aleutian Islands Management Area or the Gulf of Alaska.

“(3) SPECIAL RULE FOR REPLACEMENT OF CERTAIN VESSELS.—

“(A) IN GENERAL.—Notwithstanding the requirements of subsections (b)(2), (c)(1), and (c)(2) of section 12113 of title 46, United States Code, a vessel that is eligible under subsection (a), (b), (c), or (e) and that qualifies to be documented with a fishery endorsement pursuant to section 213(g) may be replaced with a replacement vessel under paragraph (1) if the vessel that is replaced is validly documented with a fishery endorsement pursuant to section 213(g) before the replacement vessel is documented with

a fishery endorsement under section 12113 of title 46, United States Code.

“(B) APPLICABILITY.—A replacement vessel under subparagraph (A) and its owner and mortgagee are subject to the same limitations under section 213(g) that are applicable to the vessel that has been replaced and its owner and mortgagee.

“(4) SPECIAL RULES FOR CERTAIN CATCHER VESSELS.—

“(A) IN GENERAL.—A replacement for a covered vessel described in subparagraph (B) is prohibited from harvesting fish in any fishery (except for the Pacific whiting fishery) managed under the authority of any Regional Fishery Management Council (other than the North Pacific Fishery Management Council) established under section 302(a) of the Magnuson-Stevens Act.

“(B) COVERED VESSELS.—A covered vessel referred to in subparagraph (A) is—

“(i) a vessel eligible under subsection (a), (b), or (c) that is replaced under paragraph (1); or

“(ii) a vessel eligible under subsection (a), (b), or (c) that is rebuilt to increase its registered length, gross tonnage, or shaft horsepower.

“(5) LIMITATION ON FISHERY ENDORSEMENTS.—Any vessel that is replaced under this subsection shall thereafter not be eligible for a fishery endorsement under section 12113 of title 46, United States Code, unless that vessel is also a replacement vessel described in paragraph (1).

“(6) GULF OF ALASKA LIMITATION.—Notwithstanding paragraph (1), the Secretary shall prohibit from participation in the groundfish fisheries of the Gulf of Alaska any vessel that is rebuilt or replaced under this subsection and that exceeds the maximum length overall specified on the license that authorizes fishing for groundfish pursuant to the license limitation program under part 679 of title 50, Code of Federal Regulations, as in effect on the date of enactment of the Coast Guard Authorization Act of 2010.

“(7) AUTHORITY OF PACIFIC COUNCIL.—Nothing in this section shall be construed to diminish or otherwise affect the authority of the Pacific Council to recommend to the Secretary conservation and management measures to protect fisheries under its jurisdiction (including the Pacific whiting fishery) and participants in such fisheries from adverse impacts caused by this Act.”

(2) REPEAL OF EXEMPTION OF CERTAIN VESSELS.—Section 203(g) of the American Fisheries Act (title II of division C of Public Law 105–277; 112 Stat. 2681–620) is repealed.

(3) FISHERY COOPERATIVE EXIT PROVISIONS.—Section 210(b) of the American Fisheries Act (title II of division C of Public Law 105–277; 112 Stat. 2681–629) is amended—

(A) by moving the matter beginning with “the Secretary shall” in paragraph (1) 2 ems to the right; and

(B) by adding at the end the following:

“(7) FISHERY COOPERATIVE EXIT PROVISIONS.—

“(A) FISHING ALLOWANCE DETERMINATION.—For purposes of determining the aggregate percentage of directed fishing allowances under paragraph (1), when a catcher

vessel is removed from the directed pollock fishery, the fishery allowance for pollock for the vessel being removed—

“(i) shall be based on the catch history determination for the vessel made pursuant to section 679.62 of title 50, Code of Federal Regulations, as in effect on the date of enactment of the Coast Guard Authorization Act of 2010; and

“(ii) shall be assigned, for all purposes under this title, in the manner specified by the owner of the vessel being removed to any other catcher vessel or among other catcher vessels participating in the fishery cooperative if such vessel or vessels remain in the fishery cooperative for at least one year after the date on which the vessel being removed leaves the directed pollock fishery.

“(B) ELIGIBILITY FOR FISHERY ENDORSEMENT.—Except as provided in subparagraph (C), a vessel that is removed pursuant to this paragraph shall be permanently ineligible for a fishery endorsement, and any claim (including relating to catch history) associated with such vessel that could qualify any owner of such vessel for any permit to participate in any fishery within the exclusive economic zone of the United States shall be extinguished, unless such removed vessel is thereafter designated to replace a vessel to be removed pursuant to this paragraph.

“(C) LIMITATIONS ON STATUTORY CONSTRUCTION.—Nothing in this paragraph shall be construed—

“(i) to make the vessels AJ (United States official number 905625), DONA MARTITA (United States official number 651751), NORDIC EXPLORER (United States official number 678234), and PROVIDIAN (United States official number 1062183) ineligible for a fishery endorsement or any permit necessary to participate in any fishery under the authority of the New England Fishery Management Council or the Mid-Atlantic Fishery Management Council established, respectively, under subparagraphs (A) and (B) of section 302(a)(1) of the Magnuson-Stevens Act; or

“(ii) to allow the vessels referred to in clause (i) to participate in any fishery under the authority of the Councils referred to in clause (i) in any manner that is not consistent with the fishery management plan for the fishery developed by the Councils under section 303 of the Magnuson-Stevens Act.”

**SEC. 603. COLD WEATHER SURVIVAL TRAINING.**

The Commandant of the Coast Guard shall report to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate on the efficacy of cold weather survival training conducted by the Coast Guard over the preceding 5 years. The report shall include plans for conducting such training in fiscal years 2010 through 2013.

**SEC. 604. FISHING VESSEL SAFETY.**

(a) SAFETY STANDARDS.—Section 4502 of title 46, United States Code, is amended—

(1) in subsection (a), by—

**Preliminary Analysis of AFA Vessel Replacement & Removal Provisions in  
the Coast Guard Authorization Act of 2010**

**(Pub. L. 111-281, Title VI, Sec. 602)**

**Prepared by: NMFS Alaska Region Staff in consultation with NOAA GCAK**

**INTRODUCTION**

On October 15, 2010, the President signed into law the Coast Guard Authorization Act of 2010, Pub. L. 111-281 (“The Act”). Section 602 of the Act addresses the replacement and removal of vessels eligible to participate in the Bering Sea pollock fishery under the American Fisheries Act (“AFA”).<sup>1</sup> The Act enables AFA vessels to be replaced for reasons other than total or constructive loss, eliminates the size and horsepower limitations that had applied to rebuilt AFA vessels or vessels that replace AFA vessels, and imposes various limitations on the use in other fisheries of such replacement vessels and the AFA vessels that have been replaced. The Act also enables a vessel owner to remove a vessel from an inshore cooperative and assign the vessel’s directed pollock fishing allowance (the basis for determining cooperative quota) to other vessels in the cooperative.

This paper discusses several provisions of the Act and identifies aspects of removal and replacement of AFA vessels under the Act that may necessitate agency rulemaking or that the Council and agency may wish to implement through rulemaking. The paper also provides general guidance regarding the types of vessel replacement or removal transactions that would be least likely to be affected by any subsequently issued regulations.

There are four provisions of the Act that may call for NMFS to engage in rulemaking. Involvement of the North Pacific Fishery Management Council (“Council”) in the rulemaking process may be appropriate under some, but not all, of these provisions.

One provision states that the owner of an AFA vessel may rebuild or replace that vessel “in order to improve vessel safety and operational efficiencies . . .” Amended AFA section 208(g)(1)(A). Such replacements may occur without limitations on the length, tonnage or horsepower of the replacement vessel. *Id.* This provision supplants previous replacement vessel provisions (former AFA section 208(g)) and eviscerates existing implementing regulations, which allowed for vessel replacement only in the event of actual total loss or constructive total loss of a vessel and imposed length, tonnage and horsepower limits on replacement vessels. *See* 50 C.F.R. § 679.4(1)(7); former AFA section 208(g). This provision creates an exception to several existing regulatory provisions by specifying that such replacement or rebuilding may occur “[n]otwithstanding any limitation to the contrary on replacing, rebuilding or lengthening vessels or transferring permits or licenses to a replacement vessel contained in sections 679.2 and 679.4 of title 50, Code of Federal Regulations” as of October 15, 2010. *Id.* The quoted language establishes an exception to existing regulations that otherwise prohibit the use of a groundfish license

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<sup>1</sup> The full text of section 602 of the Act is appended to this paper.

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limitation permit by a vessel that exceeds the the maximum length overall specified on the permit. *See* 50 C.F.R. §§ 679.4(k)(1)(i), (k)(3)(i), (k)(7)(ix). That is, the Act would allow a replacement vessel of any length to utilize a groundfish license limitation permit to fish for Bering Sea pollock under the AFA even if the vessel's length exceeds the MLOA specified on the license. **To avoid confusion, the existing AFA regulations should be modified to reflect the expanded bases on which an owner may replace or rebuild an AFA vessel. Similarly, existing regulations addressing LLPs should be modified to reflect the exceptions that have been created by the statute.**

Another provision expressly directs the Secretary to act to “prohibit from participation in the groundfish fisheries of the Gulf of Alaska any vessel that exceeds the maximum length overall specified on the license that authorizes fishing for groundfish pursuant to the license limitation program,” as that program was in effect on October 15, 2010. Amended AFA section 208(g)(6). This mandate could be implemented through rulemaking. Rulemaking to implement this mandate could be initiated by the agency or by the Council, which is authorized to recommend “size limits and measures to control fishing capacity, in accordance with the [MSA] as it considers necessary to ensure that [AFA vessel replacement provisions do] not diminish the effectiveness of the [Groundfish FMPs].” Amended AFA section 208(g)(2).

A third provision prohibits a vessel that replaces an AFA catcher vessel from “harvesting fish” in any federal fishery outside of the North Pacific, managed by any other Regional Fishery Management Council, except for the Pacific whiting fishery. Amended AFA section 208(g)(4). NMFS could implement this prohibition through rulemaking. Because this prohibition relates to harvesting fish in fisheries under the authority of other Regional Fishery Management Councils, the North Pacific Council should have a limited role, if any, in the development of a rulemaking to implement this prohibition.

Finally, another provision enables owners of catcher vessels that participate in inshore cooperatives to remove a vessel from the Bering Sea pollock fishery and assign its directed pollock fishing allowance to one or more vessels in its cooperative. **The Act gives rise to a number of issues regarding the interplay between the replacement of a vessel and the removal of a vessel, as well as the application of sideboards and sideboard exemptions when a vessel is removed or replaced.**

## **SUMMARY GUIDANCE**

### **What can vessel owners do without waiting for implementing regulations?**

- 1) Replace or permanently remove a vessel that has no unique sideboard characteristics (or has unique sideboard characteristics that the vessel owner is willing to lose as a result of the removal) and permanently assign its directed pollock fishing allowance to one or more vessels in the cooperative. However, the vessel owner should be aware that NMFS has not set forth what will happen to the directed pollock fishing allowance in the event that a receiving vessel does not remain in the cooperative for at least one year.
- 2) Replace a vessel with another vessel that is not currently an AFA-eligible vessel and does not exceed the MLOA on its groundfish LLP license (or with a larger vessel that the owner does not intend to use to fish for groundfish in the Gulf of Alaska).

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**What potential issues may result in a vessel owner's preferring to await the regulatory process?**

- Removal or replacement of a vessel with AFA sideboard exemptions which the owner wishes to preserve;
- Replacement of a vessel that exceeds the MLOA specified on a groundfish LLP license currently assigned to the vessel if the owner wishes to continue to use the vessel in the Gulf of Alaska;
- Replacement of an AFA catcher/processor with a catcher/processor that is currently eligible for, and wishes to remain eligible for, the Amendment 80 sector in the Bering Sea; and
- Removal of a catcher vessel and assignment of its directed pollock fishery allowance to other vessels if the owner wishes to do something other than permanently assign the directed pollock fishery allowance to other vessels that currently belong to the cooperative.