

# **SECRETARIAL REVIEW**

## **FINAL**

### **ENVIRONMENTAL ASSESSMENT/REGULATORY IMPACT REVIEW/ FINAL REGULATORY FLEXIBILITY ANALYSIS**

for Amendment 86 to the  
Fishery Management Plan for Groundfish  
of the GOA Management Area  
to

## **ADD PACIFIC COD ENDORSEMENTS TO WESTERN AND CENTRAL GOA FIXED GEAR LLP LICENSES**

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## DEFINITIONS AND ASSUMPTIONS FOR THE GOA PACIFIC COD ENDORSEMENT FMP AMENDMENT ANALYSIS

The following list provides definitions for a list of selected words or phrases used in the analysis:

- An **LLP license** is held by a person, and not by a vessel. NOAA Fisheries requires license owners to assign a vessel to the license before it can be used in a fishery subject to the LLP. Licenses may be transferred to a different vessel or owner once per calendar year (Jan 1- Dec 31). The LLP license must be physically on board the vessel when it is engaged in activities authorized by the license.
- **Area Endorsements** – Each license carries one or more area endorsements authorizing entry into fisheries in those management areas (Bering Sea, Aleutian Islands, Western GOA, Central GOA, and Southeast). For purposes of the LLP, the Central GOA area endorsement also allows vessels to fish in West Yakutat.
- **Gear Designation**- Each license carries a non-trawl and/or trawl gear designation which authorizes the license to fish using the designated gear type.
- **Landing** – For purposes of this analysis, a catcher vessel landing includes Pacific cod landed during one calendar day in the directed Pacific cod fishery. State waters and IFQ catch is not counted toward qualifying catch. Catcher vessel harvests are based upon ADFG Fish tickets. A catcher processor landing includes any groundfish landed during a one week interval, because catcher processor landings are based upon Blend and Catch Accounting data and are only specific to a week ending date. Catcher processors are also credited with landings made while fishing as a catcher vessel.
- **MLOA designation** – Each license carries a maximum length overall (MLOA) designation, limiting the length of the vessel that may use the license.
- **Non-severability** – The endorsements and designations on a license are non-severable and only transfer with the license.
- **Non-Trawl** – A license was assigned a non-trawl designation if fixed gear was used to harvest groundfish from a qualifying fishery during the period beginning January 1, 1988 through June 17, 1995 (§679(k)(3)(iv)(D)).
- **Operation-type designation** – Each license carries a designation for either catcher processor or catcher vessel operation type. A catcher processor may choose to operate as a catcher vessel, delivering its catch shoreside or to a floating processor.
- **Trawl/non-trawl** – A license was assigned both a trawl and non-trawl gear designation if both gear types were used to harvest groundfish by the qualifying vessel during the period beginning January 1, 1988 through June 17, 1995 (§679(k)(3)(iv)(B)).
- **Trawl** – A license was assigned a trawl gear designation if trawl gear was used to harvest groundfish from by the qualifying vessel during the period beginning January 1, 1988 through June 17, 1995 (§679(k)(3)(iv)(C)).

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## EXECUTIVE SUMMARY

An Environmental Assessment/Regulatory Impact Review/Initial Regulatory Flexibility Analysis (EA/RIR/IRFA) examines the environmental, economic, and socioeconomic aspects of a proposed Federal regulatory action. The North Pacific Fishery Management Council's (Council) has proposed Amendment 86 to the Gulf of Alaska Fishery Management Plan (GOA FMP). The preferred alternative for the proposed action would add gear-specific Pacific cod endorsements to Western and Central GOA fixed gear licenses. In addition to the appropriate area endorsement, licenses would be required to carry a Pacific cod endorsement to permit participation in the directed Pacific cod fisheries in Federal waters in the Western and Central GOA.

Competition among fixed gear participants in the Western and Central GOA Pacific cod fisheries has intensified in recent years, and long-term participants are concerned about the potential for latent fixed gear licenses to re-enter the fisheries. The proposed amendment would address this concern by limiting future participation in the Pacific cod fishery to fixed gear licenses that have actively participated in recent years and, thus, qualify for a Pacific cod endorsement. This action may enhance stability in the GOA Pacific cod fisheries, reduce competition among fixed gear participants, and sustain the historic division of catch among recent participants. In the absence of this action, future entry of latent effort into the Western and Central GOA Pacific cod fisheries could further intensify competition among fixed gear participants and erode catches of long-term active participants.

To address these concerns, the Council adopted the following problem statement:

### **GOA Fixed Gear Recency Purpose and Need Statement**

Western GOA and Central GOA Pacific cod fisheries are subject to intense competition, particularly during the A season, when fish are aggregated and of highest value. Competition among fixed gear participants in the Western GOA and Central GOA Pacific cod fisheries has increased for a variety of reasons, including increased market value of Pacific cod products, a declining ABC/TAC, increased participation by harvesters displaced from other fisheries and introduction of capital that has been accrued from participation in rationalized fisheries. The possible future entry of latent effort would have detrimental effects on LLP holders that have exhibited participation in, and dependence on, the fixed gear Pacific cod fisheries. Many fixed gear vessel owners have made significant investments, have long catch histories, and are dependent on the Western GOA and Central GOA Pacific cod resources. These long-term participants need protection from those who have little or no recent history and who have the ability to increase their participation in the Pacific cod fisheries. At the same time, retaining Federal waters opportunities for small community quota eligible (CQE) communities dependent on access to a range of fishery resources and expanding opportunities in Federal waters for small capacity jig operations is valued to promote community protections at a level that imposes minimal impact on historic catch shares of recent participants.

The intent of the proposed amendment is to prevent the future entry or re-entry of latent fixed gear groundfish fishing capacity that has not been utilized in recent years into the Pacific cod fisheries. This requires prompt action to promote stability in the fixed gear sectors of the GOA Pacific cod fisheries, and is expected to be implemented concurrently with the division of GOA Pacific cod among sectors which is currently under consideration. However, this action cannot address continued growth in the waters managed by the State of Alaska.



## Alternatives, Components, and Options

This analysis considers two alternatives. **Alternative 1** (no action) would not make any changes to the existing License Limitation Program (LLP). **Alternative 2** would add gear-specific Pacific cod endorsements to fixed gear groundfish LLP licenses, which would limit entry into the directed Pacific cod fisheries in Federal waters of the Central and Western GOA. There are seven components under Alternative 2 that outline the details of the proposed action. The alternatives and components are summarized in Table E-1. See Chapter 1 for the exact wording of the alternatives, components, and options under consideration.

**Component 1** identifies the management areas subject to the proposed action, the Western GOA and Central GOA. Note that under the LLP, the Central GOA area endorsement also authorizes vessels to fish in the West Yakutat management area. **Component 2** identifies the sectors subject to the proposed action. The Council could select different landings or catch (mt) thresholds for vessels in different sectors. Individual licenses may qualify for any combination of a jig, hook-and-line, and pot endorsement if the license meets the respective threshold(s) for the appropriate gear type, operation type, and vessel length.

**Component 3** identifies the qualifying years that could be selected for purposes of defining recent participation in the GOA directed Pacific cod fisheries: 2000 through 2006; 2002 through 2006; or either 2000 through 2006 or 2002 through 2006, plus the additional years identified in Suboption 1 (2007 through Jun 4, 2008) or Suboption 2 (2007 through Dec 8, 2008). A provision in Component 3 states that one of the suboptions under Option 3 will be selected. If Suboption 3 is selected, any license that qualifies for a Pacific cod endorsement only when landings during 2007 and 2008 are included would receive a nontransferable Pacific cod endorsement. The endorsement would be extinguished, if the license is subsequently transferred to another vessel or owner.

**Component 4** provides a definition of qualifying catch, and lists options for landings and catch (mt) thresholds. Licenses will be credited with retained catch of Pacific cod from the directed Pacific cod fisheries in the Federal and parallel waters fisheries. Directed Pacific cod catch is defined as landings made when the directed Pacific cod fisheries are open. Licenses are credited with landings made up to 7 days after the directed season closes in order to allow time for deliveries to be made or processing activity to be reported. Landings must be made with fixed gear (pot, hook-and-line, or jig) in the endorsement area. Catch in the IFQ and State waters fisheries is excluded. Note that licenses with Central GOA endorsements are also credited with landings in the West Yakutat management area, because under the LLP, the Central GOA endorsement authorizes licenses to fish in Federal waters of West Yakutat. Licenses that meet a landings threshold of 1, 3, or 5 landings; or a catch threshold of 5 mt, 10 mt, 25 mt, or 100 mt, in the respective management area, and using the appropriate gear type, will receive a gear-specific Pacific cod endorsement. Qualifying catch includes catch in the aggregate during the qualifying period.

**Component 5** addresses issues related to vessels that have multiple LLPs, or ‘stacked’ licenses. In these cases, qualifying catch will be fully credited to all stacked licenses. **Component 6** provides an option to add a new endorsement to fixed gear groundfish LLP licenses with Western GOA or Central GOA area endorsements that would limit the width or simple gross tonnage of the vessel assigned to the license. There are a number of unresolved issues associated with the proposed endorsement, and these are discussed in detail in Chapter 2. Finally, **Component 7** proposes to provide fixed gear LLP licenses to qualified Community Quota Entities (CQEs) in the Western GOA and Central GOA. Licenses would have an MLOA of 60 ft and either a pot or hook-and-line endorsement. A maximum of 50 Central GOA and 21 Western GOA licenses would be issued; the details of how these licenses are distributed among

CQEs are described in Chapter 2. Licenses could be used by persons who meet the definition of a CQE resident, also described in Chapter 2.

The Council is considering several exemptions from the proposed action and from the LLP requirement. These exemptions would, (1) allow certain types of vessels to participate in the GOA directed Pacific cod fisheries without a Pacific cod endorsement or LLP license, and (2) exempt some licenses from the catch thresholds, allowing these licenses to qualify for a Pacific cod endorsement, even if they do not have qualifying catch. In determining which exemptions will be selected, the Council may wish to consider balancing the objective of creating opportunities for new entry, with the need to protect long-term participants from an influx of additional effort into the fisheries. The proposed exemptions include:

- An exemption from the groundfish LLP requirement in the Western and Central GOA for vessels using jig gear that use a maximum of 5 jigging machines, 5 lines, and 30 hooks per line.
- An exemption from the Pacific cod endorsement requirement for vessels using fixed gear in the Western GOA B season directed Pacific cod fishery. A suboption would exempt only vessels using pot gear.
- An exemption from the catch thresholds for CP licenses that voluntarily stood down from the GOA Pacific cod fisheries during 2006, 2007, or 2008 as part of the informal hook-and-line CP halibut PSC cooperative. These licenses would receive a hook-and-line CP endorsement, but would be limited to participating in the offshore processing component of the GOA Pacific cod fishery.

Each of the proposed exemptions is discussed in Chapter 2 of this document.

## **Expected Effects of the Alternatives**

### **Alternative 1 – No Action**

Under the no action alternative, gear-specific Pacific cod endorsements would not be added to Western and Central GOA fixed gear groundfish licenses. As a result, there would be no reduction in the number of fixed gear groundfish licenses eligible to participate in the directed Pacific cod fisheries in the Western and Central GOA. If this alternative is selected, fixed gear licenses that have not participated in the Western and Central GOA Pacific cod fisheries in recent years could enter the fisheries in the future and dilute revenues, increase costs, or both, for licenses with recent participation in the fisheries. Increased participation may result in negative economic impacts to current participants in the fisheries. The number of licenses that might enter the fisheries in the absence of this action is unknown, and depends on future market conditions, the size of Pacific cod TACs, opportunities to participate in other fisheries, the future regulatory environment, and operating costs in the fisheries. Consequently, this analysis does not provide a quantitative estimate of the potential economic impacts of the no action alternative.

**Table E-1 Summary of Alternatives, Components, and Options under Consideration**

COMPONENT	ALTERNATIVES and OPTIONS	
	<b>ALTERNATIVE 1</b> No action.	<b>ALTERNATIVE 2</b> Add non-severable, gear-specific Pacific cod endorsements to fixed gear licenses that would limit entry into the directed Pacific cod fisheries in the Western and Central GOA.
<b>Component 1:</b> Areas included	N/A	Western GOA and Central GOA. Different options may be selected for each management area.
<b>Component 2:</b> Identify and define sectors	N/A	Different catch thresholds may be selected for different gear types, operation types, and vessel lengths. Individual licenses may qualify for more than one gear-specific endorsement (jig, hook-and-line, and pot). <ul style="list-style-type: none"> <li>• Hook-and-line CP</li> <li>Option: Hook-and-line CP <math>\geq 125</math> and Hook-and-line CP <math>&lt; 125</math></li> <li>• Hook-and-line CV</li> <li>Option: Hook-and-line <math>\geq 60</math> and Hook-and-line <math>&lt; 60</math></li> <li>• Pot CP</li> <li>• Pot CV</li> <li>Option: Pot CV <math>\geq 60</math> and Pot CV <math>&lt; 60</math></li> <li>• Jig</li> </ul> <p><b>Provision</b> to exempt vessels using jig gear from the LLP requirement if they use a maximum of 5 jiggling machines, 1 line per machine, and 30 hooks per line. Licenses with a jig Pacific cod endorsement not subject to gear limits.</p> <p><b>Option</b> to exempt vessels using fixed gear in the Western GOA B season directed Pacific cod fishery from the Pacific cod endorsement requirement. <b>Suboption</b> to exempt pot gear only.</p>
		<p><b>Option:</b> CV LLPs that qualify for a pot endorsement that have an MLOA of <math>&lt; 50</math> ft will be increased to 50 ft MLOA.</p>
<b>Component 3:</b> Qualifying years	N/A	<p><b>Option 1:</b> 2000-2006  <b>Option 2:</b> 2002-2006  <b>Option 3:</b> Add the qualifying period January 1, 2007 through:</p> <ul style="list-style-type: none"> <li><b>Suboption 1:</b> June 4, 2008</li> <li><b>Suboption 2:</b> December 8, 2008</li> </ul> <p>(Suboption 1 or 2 <b>will</b> be selected in addition to Opt 1 or Opt 2)</p> <p><b>Suboption 3:</b> If an LLP license qualifies only when the supplemental range of years in Suboption 1 or Suboption 2 is included, any Pacific cod endorsements granted to licenses under these suboptions would be extinguished upon transfer of the LLP license to another vessel or owner.</p> <p><b>Provision:</b> GOA hook-and-line catcher processor LLP licenses that participated in the informal PSC co-op during 2006, 2007, or 2008 will receive a hook-and-line CP Pacific cod endorsement, but will be limited to participating in the offshore processing sector in the GOA P.cod fishery.</p>

**Note:** This table provides a general summary of the alternatives, components and options in the Council’s motion. See Chapter 2 for the exact wording of the motion.

**Table E-1 (continued) Summary of Alternatives, Components, and Options under Consideration**

COMPONENT	ALTERNATIVES and OPTIONS	
	ALTERNATIVE 1	ALTERNATIVE 2
<p><b>Component 4:</b> Catch thresholds</p> <p><b>Component 4</b> <b>(continued)</b></p>	N/A	<p>Qualifying catch is defined as Pacific cod landings made when the directed Pacific cod fisheries are open, and includes Federal and parallel waters landings. IFQ and State waters cod landings are excluded.</p> <p><b>Option 1:</b> 1, 3, or 5 landings <b>Option 2:</b> 5 mt, 10 mt, 25 mt, or 100 mt</p> <p><b>Option:</b> Hardship provision for licenses assigned to vessels that sank in 1999 or 2000.</p> <p><b>Provision:</b> Licenses with an MLOA of <math>\geq 60</math> ft assigned to vessels with an LOA of <math>&lt; 60</math> ft may qualify for a P.cod endorsement at the <math>&lt; 60</math> ft threshold.</p>
<b>Component 5:</b> Stacked licenses		<b>Provision:</b> When multiple LLPs are 'stacked' on a single vessel, qualifying catch history will be fully credited to all stacked licenses.
<b>Component 6:</b> Capacity limits		<b>Provision</b> to add a width restriction to each fixed gear LLP license that receives a Pacific cod endorsement under this action. The width restriction would be 1 ft of width for each 3 ft of length, based on the LOA of the vessel assigned to the license. Suboption to add a gross tonnage limit.
<b>Component 7:</b> CQE communities		<b>Provision</b> to provide fixed gear LLP licenses to qualified Community Quota Entities (CQEs) in the Western GOA and Central GOA. Licenses would have an MLOA of 60 ft and either a pot or hook-and-line endorsement. A maximum of 50 Central GOA and 21 Western GOA licenses would be issued; the details of how these licenses will be distributed among CQEs are described in Chapter 2. Licenses could be used by persons who meet the definition of a CQE resident, also described in Chapter 2.

**Note:** This table provides a general summary of the alternatives, components and options in the Council’s motion. See Chapter 2 for the exact wording of the motion.

### **Current number of fixed gear groundfish licenses**

The number of currently existing fixed gear licenses with Western and Central GOA endorsements is reported in Table E-2, by operation type and maximum length overall (MLOA). The table also indicates the number of licenses that have other area endorsements, in addition to a Western or Central GOA endorsement. There are currently 883 fixed gear catcher vessel licenses with Central GOA endorsements and 264 fixed gear catcher vessel licenses with Western GOA endorsements. Most of these licenses may only be used on vessels less than 60 feet LOA. Fewer than 25% of catcher vessel licenses with Central GOA endorsements also have BS, AI, or Western GOA endorsements. In contrast, more than half of catcher vessel licenses with Western GOA endorsements also have BS, AI, or Central GOA endorsements. There are 49 Central GOA and 31 Western GOA CP licenses, and the majority of these licenses also carry BS or AI endorsements. Only a small number of catcher processor licenses are restricted for use on vessels less than 60 feet LOA. This is the universe of fixed gear licenses that would continue to have access to the directed Pacific cod fisheries in the Western and Central GOA in the absence of the proposed action.

**Table E-2 Number of GOA fixed gear LLP licenses with each area endorsement, operation type, MLOA, and gear designation.**

	Number of endorsements		Licenses that also have an endorsement (or designation) for:					
	All licenses	Licenses with MLOA <60 feet	Central Gulf	Western Gulf	Aleutian Islands	Bering Sea	Southeast Outside	Trawl
Central Gulf CV	883	702	--	175	61	159	178	114
Central Gulf CP	49	5	--	27	41	45	5	8
Western Gulf CV	264	154	175	--	62	157	42	78
Western Gulf CP	31	1	27	--	30	31	3	4

Source: NMFS RAM groundfish license file, December 2008.

## Alternative 2 – Add Pacific cod endorsements to licenses

The proposed action would add gear-specific Pacific cod endorsements to fixed gear licenses. Licenses would be required to carry a Pacific cod endorsement, in addition to the appropriate area endorsement, to participate in the directed Pacific cod fisheries in Federal waters of the Western and Central GOA. The action would result in an amendment to the GOA Fisheries Management Plan (FMP).

The tables in this section show the number of fixed gear licenses that meet the various landings and catch thresholds, based on catches from 2000 through 2006, and 2002 through 2006, and also show the number of additional licenses that meet the thresholds, if the qualifying period includes catch from 2007 through June 4, 2008, or December 8, 2008. Under Component 3, a provision states that either Suboption 1 (2007 through Jun 4, 2008) or Suboption 2 (2007 through Dec 8, 2008) will be selected, in addition to Option 1 (2000 through 2006) or Option 2 (2002 through 2006). If Suboption 3 is also selected, any license that qualifies for a Pacific cod endorsement only when catch during 2007 and 2008 is included would receive a nontransferable Pacific cod endorsement. The endorsement would be extinguished if the license is transferred to another vessel or owner.

### Catcher vessel licenses

The number of fixed gear catcher vessel licenses that meet each of the landings and catch thresholds is reported in Table E-3. The number of licenses that qualify for a Pacific cod endorsement depends upon the catch definition, landings or catch threshold, and qualification period selected. There are currently 264 Western GOA fixed gear CV licenses, and 54 to 110 of these licenses qualify for a Pacific cod endorsement. There are 883 Central GOA fixed gear CV licenses, and 110 to 306 of these licenses qualify for a Pacific cod endorsement. When landings during 2007 and 2008 are included, in addition to landings in 2000 to 2006, approximately 10% to 15% more CV licenses meet the one landing threshold.

The number of licenses that meet each of the landings and catch thresholds, based on catches made while using a specific gear type, is reported in Table E-4. It is important to note that the gear type columns are not mutually exclusive. Licenses may have made qualified landings using more than one fixed gear type and, as a result, the number of licenses in the columns in Table E-4 may sum to more than the number of qualifying licenses in Table E-3. In the absence of specific gear type endorsements (i.e., pot, hook-and-line, or jig endorsements), these licenses could continue to fish in the directed Pacific cod fisheries, using any fixed gear type. The Council could choose different catch or landings thresholds for different gear types and MLOA size classes to account for differences in catch history among licenses in each sector. There are additional tables in Chapter 2 of this document that report the number of licenses in each gear type and MLOA size class that meet the various landings and catch thresholds.

**Table E-3 Number of fixed gear catcher vessel licenses that meet the landings and catch thresholds based on landings in the Western or Central GOA directed Pacific cod fisheries.**

**Western GOA – 264 CV licenses**

Threshold	2000- Dec 2008	2000- June 2008	2000- 2006	2002- Dec 2008	2002- June 2008	2002- 2006
1 landing	110	106	93	101	96	82
3 landings	100	95	83	95	90	76
5 landings	91	87	74	86	82	68
5 mt	105	100	85	99	94	77
10 mt	97	93	79	93	89	73
25 mt	91	88	74	85	82	66
100 mt	68	63	55	68	63	54

**Central GOA – 883 CV licenses**

Threshold	2000- Dec 2008	2000- June 2008	2000- 2006	2002- Dec 2008	2002- June 2008	2002- 2006
1 landing	306	297	269	245	234	198
3 landings	272	266	240	220	215	179
5 landings	249	246	219	203	200	164
5 mt	273	267	237	222	216	180
10 mt	255	250	223	210	205	171
25 mt	221	220	190	189	188	154
100 mt	171	169	151	142	139	110

Source: ADFG Fish Tickets (2000-2007), NMFS Catch Accounting (2008) and RAM groundfish license file, December 2008.

Under the current set of landings and catch thresholds, the number of gear-specific Pacific cod endorsements that would be added to fixed gear catcher vessel licenses includes:

Western GOA

- Up to 14 hook-and-line endorsements
- 54 to 96 pot endorsements
- Up to 12 jig endorsements

Central GOA

- 68 to 202 hook-and-line endorsements
- 42 to 124 pot endorsements
- Up to 24 jig endorsements

**Table E-4 Number of fixed gear licenses that meet the catch and landings thresholds based on catch using a specific gear type in the Western or Central GOA directed Pacific cod fisheries.**

**Western GOA licenses - 264 CV licenses**

<b>Hook-and-line</b>						
Threshold	2000- Dec 2008	2000- June 2008	2000- 2006	2002- Dec 2008	2002- June 2008	2002- 2006
1 landing	14	12	7	14	12	7
3 landings	11	8	4	10	7	3
5 landings	9	5	1	9	5	1
5 mt	13	11	6	12	10	5
10 mt	11	9	3	11	9	3
25 mt	9	6	0	9	6	0
100 mt	3	0	0	3	0	0

<b>Jig</b>						
Threshold	2000- Dec 2008	2000- June 2008	2000- 2006	2002- Dec 2008	2002- June 2008	2002- 2006
1 landing	13	9	9	12	8	8
3 landings	7	7	7	7	7	7
5 landings	5	5	5	5	5	5
5 mt	7	6	6	7	6	6
10 mt	3	3	3	3	3	3
25 mt	*	*	*	*	*	*
100 mt	0	0	0	0	0	0

<b>Pot</b>						
Threshold	2000- Dec 2008	2000- June 2008	2000- 2006	2002- Dec 2008	2002- June 2008	2002- 2006
1 landing	96	94	83	86	84	72
3 landings	88	87	77	82	81	69
5 landings	82	81	71	76	75	64
5 mt	91	89	78	84	82	69
10 mt	88	86	75	83	81	68
25 mt	82	81	71	76	75	63
100 mt	65	63	55	65	63	54

Source: ADFG Fish Tickets (2000-2007), NMFS Catch Accounting (2008) and RAM groundfish license file, December 2008.

\*Withheld for confidentiality.

Note: Gear type columns are not mutually exclusive, and the number of licenses in the columns in Table E-4 may sum to more than the number of qualifying licenses in Table E-3.

**Central GOA licenses – 883 CV licenses**

<b>Hook-and-line gear</b>						
Threshold	2000- Dec 2008	2000- June 2008	2000- 2006	2002- Dec 2008	2002- June 2008	2002- 2006
1 landing	202	196	169	161	154	123
3 landings	177	172	149	142	138	111
5 landings	157	155	133	125	123	98
5 mt	180	176	149	145	141	112
10 mt	162	159	135	134	130	104
25 mt	134	134	112	116	116	94
100 mt	96	94	84	84	81	68

<b>Jig</b>						
Threshold	2000- Dec 2008	2000- June 2008	2000- 2006	2002- Dec 2008	2002- June 2008	2002- 2006
1 landing	24	22	19	19	18	15
3 landings	10	10	9	7	7	6
5 landings	9	9	7	7	7	5
5 mt	9	8	7	8	7	6
10 mt	4	4	4	4	4	4
25 mt	*	*	0	*	*	0
100 mt	0	0	0	0	0	0

<b>Pot</b>						
Threshold	2000- Dec 2008	2000- June 2008	2000- 2006	2002- Dec 2008	2002- June 2008	2002- 2006
1 landing	124	120	111	94	90	78
3 landings	109	106	100	85	82	70
5 landings	98	98	91	78	78	66
5 mt	109	106	99	85	82	72
10 mt	106	103	96	83	80	69
25 mt	93	91	83	76	74	62
100 mt	75	75	66	59	59	42

Source: ADFG Fish Tickets (2000-2007), NMFS Catch Accounting (2008) and RAM groundfish license file, December 2008.  
\*Withheld for confidentiality.

Note: Gear type columns are not mutually exclusive, and the number of licenses in the columns in Table E-4 may sum to more than the number of qualifying licenses in Table E-3.

**Catcher processor licenses**

The number of catcher processor licenses that meet the various landings and catch thresholds is reported in Table E-5. There are 31 Western GOA catcher processor licenses, and 19 to 24 of these meet the 1 landing threshold, during each of the various qualifying periods. The majority of Western GOA licenses that have at least one landing also meet the highest catch threshold (100 mt) and highest landings threshold (5 landings). Three licenses qualify only when catch during 2007 and 2008 is included. There are 49 Central GOA licenses, and 12 to 21 of these meet the 1 landing threshold. Fewer Central GOA CP licenses that meet the one landing threshold also meet the highest catch thresholds. Seven licenses qualify at the 1 landing threshold only when catch during 2007 and 2008 is included.



The number of catcher processor licenses that would qualify for gear-specific Pacific cod endorsements includes:

**Western GOA**

- 14 to 22 hook-and-line catcher processor endorsements
- Up to 5 pot catcher processor endorsements
- 3 licenses have both hook-and-line and pot landings

**Central GOA**

- 7 to 18 hook-and-line catcher processor endorsements
- Up to 4 pot catcher processor endorsements
- 1 license has both hook-and-line and pot landings

**Table E-5 Number of fixed gear catcher processor licenses qualifying under various landings and catch thresholds based on catch in the Western and Central GOA directed Pacific cod fisheries.**

**Western GOA – 31 CP licenses**

All gear						
Threshold	2000- Dec 2008	2000- June 2008	2000- 2006	2002- Dec 2008	2002- June 2008	2002- 2006
1 landing	24	22	21	23	21	19
3 landings	24	21	20	22	19	17
5 landings	20	19	18	18	17	16
5 mt	23	21	20	22	20	18
10 mt	22	20	19	21	19	17
25 mt	21	20	19	20	19	17
100 mt	18	18	*	*	*	*

Hook-and-line gear						
Threshold	2000- Dec 2008	2000- June 2008	2000- 2006	2002- Dec 2008	2002- June 2008	2002- 2006
1 landing	22	19	18	20	17	16
3 landings	21	17	16	20	16	14
5 landings	17	15	15	16	14	13
5 mt	21	18	17	19	16	15
10 mt	20	17	16	18	15	14
25 mt	18	16	15	17	15	14
100 mt	16	15	15	15	14	14

Pot gear						
Threshold	2000- Dec 2008	2000- June 2008	2000- 2006	2002- Dec 2008	2002- June 2008	2002- 2006
1 landing	5	5	5	4	4	3
3 landings	5	5	5	3	3	3
5 landings	4	4	3	3	3	3
5 mt	5	5	5	4	4	3
10 mt	5	5	5	4	4	3
25 mt	5	5	5	4	4	3
100 mt	4	4	*	*	*	*

Source: Catch Accounting/Blend data and RAM LLP license file, December 2008. \*Withheld for confidentiality.

Note: Gear type columns are not mutually exclusive, because some licenses have catch history using more than one gear type. The number of licenses in the gear columns may sum to more than the total number of licenses qualifying.

**Central GOA – 49 CP licenses**

All gear						
Threshold	2000- Dec 2008	2000- June 2008	2000- 2006	2002- Dec 2008	2002- June 2008	2002- 2006
1 landing	21	21	14	19	19	12
3 landings	18	18	12	17	17	11
5 landings	14	14	11	12	12	9
5 mt	21	21	14	18	18	*
10 mt	19	19	12	18	18	*
25 mt	18	18	12	17	17	*
100 mt	15	15	*	14	14	*

Hook-and-line gear						
Threshold	2000- Dec 2008	2000- June 2008	2000- 2006	2002- Dec 2008	2002- June 2008	2002- 2006
1 landing	18	18	12	16	16	10
3 landings	15	15	10	14	14	9
5 landings	10	10	8	9	9	7
5 mt	18	18	12	15	15	9
10 mt	16	16	10	15	15	9
25 mt	15	15	10	14	14	9
100 mt	11	11	7	11	11	7

Pot gear						
Threshold	2000- Dec 2008	2000- June 2008	2000- 2006	2002- Dec 2008	2002- June 2008	2002- 2006
1 landing	4	4	3	3	3	2
3 landings	4	4	3	3	3	2
5 landings	4	4	3	3	3	2
5 mt	4	4	3	3	3	*
10 mt	4	4	3	3	3	*
25 mt	4	4	3	3	3	*
100 mt	4	4	*	3	3	*

Source: Catch Accounting/Blend data and RAM LLP license file, December 2008. \*Withheld for confidentiality.

Note: Gear type columns are not mutually exclusive, because some licenses have catch history using more than one gear type. The number of licenses in the gear columns may sum to more than the total number of licenses qualifying.

**Licenses that only Qualify when 2007 and 2008 Catch History is Included**

Under Component 3, Suboption 3 states that if an LLP license qualifies for a Pacific cod endorsement only when catch during Jan 1, 2007 through Jun 4, 2008, or Dec 8, 2008 is credited to that license, any Pacific cod endorsement granted to that license would be extinguished upon its transfer to another vessel or owner. Those participants who entered the fishery in 2007 and 2008 would receive a Pacific cod endorsement and could continue to participate in the fishery. However, such a Pacific cod endorsement would not be transferable to another vessel or owner.

Designating these Pacific cod endorsements non-transferable could have several effects. First, the existing fleet of vessels assigned to the licenses that recently entered the GOA Pacific cod fishery could not be replaced. This would preclude license holders from replacing smaller, lower capacity vessels with high capacity vessels. However, it would also preclude license holders from replacing vessels for safety

or other considerations unrelated to fishing capacity. Vessel replacement provisions could allow the license to be transferred to another vessel, if the assigned vessel sinks or otherwise becomes inoperable.

An estimated 37 additional Central GOA CV licenses and 17 additional Western GOA CV licenses qualify at the 1 landing threshold when catch from 2007 to Dec 8, 2008 is credited to the license. There are also additional CP licenses that qualify for a Pacific cod endorsement at the 1 landing threshold when landings made in 2007 and 2008 are credited (3 Western GOA and 7 Central GOA CP licenses). There is a comparison of annual participation and revenues in the GOA Pacific cod fisheries and other Alaska fisheries, by CV and CP licenses that only qualify when 2007 and 2008 landings are credited to licenses, and licenses that qualify based on 2000 to 2006 catch, in Chapter 2 of this document.

## **Interactions with Pacific Cod Sector Allocations**

In refining the alternatives and options for analysis, the Council has considered interactions between the proposed action to add gear-specific Pacific cod endorsements to fixed gear licenses and the proposed GOA Pacific cod sector allocations. A comparison of the components and options under consideration for the two actions is found Table E-6. The gear-specific Pacific cod endorsements could limit access to the Pacific cod sector allocations to ensure that vessels that contributed catch history to the sector allocations have access to those allocations.

Both actions include provisions to increase entry level opportunities in the GOA Pacific cod fisheries. The proposed exemption from the LLP requirement for vessels using jig gear, in tandem with the proposal to provide the jig sector a Pacific cod allocation of more than the sector's historic catch, will provide a substantial increase in opportunity for current, as well as new, participants in this sector. In addition, the potential for a stairstep increase in the jig allocation, if it is fully harvested, would provide for longer term growth in the jig sector.

**Table E-6 Comparison of the components and options included in the proposed GOA Pacific cod sector allocation and GOA fixed gear recency actions.**

COMPARISON OF GULF OF ALASKA ACTIONS		
ACTION	GOA Pacific Cod Sector Allocations	GOA Fixed Gear LLP Recency
<b>PURPOSE OF ACTION</b>	Allocate Western and Central Gulf Pacific cod TACs to the various sectors	Add gear-specific Pacific cod endorsements to licenses to limit entry to the directed Pacific cod fisheries in WG and CG
<b>MANAGEMENT AREAS</b>	Western and Central Gulf of Alaska	Western and Central Gulf of Alaska (CG endorsement also includes West Yakutat)
<b>SECTORS</b>	(1) Hook-and-line CVs <u>Option:</u> Hook-and-line CVs <60 and ≥60 <u>Option:</u> Hook-and-line CVs <50 and ≥50 (CGOA) (2) Hook-and-line CPs <u>Option:</u> Hook-and-line CPs <125 and ≥125 (3) Pot CVs <u>Option:</u> Pot CVs <60 and ≥60 (4) Pot CPs (5) Jig (6) Trawl CVs (7) Trawl CPs <u>Option:</u> Combined <60 ft trawl and pot CV (WG only)	<u>Sectors defined to allow the Council to select different qualifying thresholds for each sector:</u> (1) Hook-and-line CVs <u>Option:</u> Hook-and-line CVs <60 and ≥60 (2) Hook-and-line CPs <u>Option:</u> Hook-and-line CPs <125 and ≥125 (3) Pot CVs <u>Option:</u> Pot CVs <60 and ≥60 (4) Pot CPs (5) Jig
<b>QUALIFYING CATCH</b>	Retained catch of Pacific cod from parallel and Federal waters State waters catch is excluded	Retained catch of Pacific cod from the directed Pacific cod fisheries in parallel and Federal waters State waters and IFQ catch is excluded
<b>QUALIFYING YEARS</b>	(1) 1995-2005: best 5 or 7 years (2) 2000-2006: best 3 or 5 years (3) 2002-2007: best 3 or 5 years (4) 2002-2008: best 3 or 5 years	(1) 2000-2006 (2) 2002-2006 <u>Options</u> to also include landings from 2007-June 4, 2008 or 2007- Dec 8, 2008
<b>LANDINGS THRESHOLDS</b>	None	1) 1, 3, or 5 landings 2) 5 mt, 10 mt, 25 mt, or 100 mt
<b>JIG</b>	1%, 3%, or 5% allocation Step up and step down provisions	Exempt jig vessels from the LLP requirement, if they use a maximum of 5 machines, 5 lines, and 30 hooks per line.
<b>OTHER COMPONENTS</b>	Options to allocate hook-and-line halibut PSC to CVs and CPs Options to cap mothership processing shares	CQE communities may request pot or hook-and-line licenses for use by community residents Exemption from catch thresholds for participants in hook-and-line CP informal halibut PSC co-op

## **Council Preferred Alternative**

At its April 2009 meeting, the Council recommended Alternative 2 as its preferred alternative. The preferred alternative would add non-severable, gear-specific Pacific cod endorsements to fixed gear licenses. These endorsements would limit entry into the directed Pacific cod fisheries in Federal waters of the Western and Central GOA management areas. Within Alternative 2, the Council selected specific options within the components.

The Council recommended that licenses be eligible to qualify for one or more gear-specific Pacific cod endorsements, based on cod landings in the directed Pacific cod fishery during 2002 through December 8, 2008. Pacific cod landings in both the parallel and Federal waters directed Pacific cod fisheries count toward the thresholds. Catch in the State waters fisheries, and incidental catch of Pacific cod in the IFQ fisheries, does not count toward the thresholds. Catcher processor licenses are credited with both catcher processor and catcher vessel landings (i.e., landings of both operation types). This is the same rule that was used in the trawl recency action. The thresholds selected were 1 landing for jig gear; 10 mt for less than 60 ft MLOA pot and/or hook-and-line CVs; 50 mt for greater than 60 ft MLOA pot and hook-and-line CVs; and 50 mt for pot and/or hook-and-line CPs.

The Council exempted vessels using jig gear from the LLP requirement (including the Pacific cod endorsement requirement) in all directed groundfish fisheries in the GOA, if the vessel uses a maximum of 5 jigging machines, 5 lines, and 30 hooks per line. The Council also exempted CP licenses from the 50 mt catch threshold, if the license holder voluntarily stood down from the Western or Central GOA Pacific cod fisheries during 2006, 2007, or 2008, as part of the informal halibut PSC co-op. The Council recommended that these licenses receive a hook-and-line CP Pacific cod endorsement, but that they may only participate in the offshore sector.

Finally, under Component 7, the Council recommended that qualified CQEs be eligible to request, from NMFS, non-transferable, fixed gear groundfish licenses with a Pacific cod endorsement and the area endorsement in which the community is located. Licenses would have an MLOA designation of 60 ft. Western GOA licenses would be endorsed for pot gear, and Central GOA CQEs may choose either a pot or hook-and-line endorsement, based on the rule described in the motion.

## **Rationale for and effects of preferred alternative**

The preferred alternative, recommended by the Council, substantially limits the number of licenses eligible to participate in the directed Pacific cod fisheries in Federal waters of the Western and Central GOA. The intent of the proposed amendment is to prevent the future entry or re-entry of latent fixed gear licenses into the fixed gear Pacific cod fisheries, which could have adverse effects on license holders that have recently participated in, and exhibited dependence on, these fisheries. In the short term, this action may not result in a perceptible change from the status quo, because most licenses with recent participation qualify for a Pacific cod endorsement. The action may have a long-term effect, if any of the non-qualifying licenses would have entered the fishery in the future, in the absence of this action. The Council's recommended alternative also retains Federal waters opportunities for residents of CQE eligible communities, and expands Federal waters opportunities for jig vessels. The Council noted that these provisions would likely have a minimal impact on catch amounts of recent participants.

The number of licenses estimated to qualify for gear-specific Pacific cod endorsements is shown in Table E-7. Under the Council's recommended alternative, 36% (95 of 264) of existing Western GOA CV licenses and 24% (216 of 883) of existing Central GOA CV licenses would receive at least one gear-specific Pacific cod endorsement. In addition, 68% (21 of 31) of Western GOA and 55% (27 of 49)

Central GOA CP licenses would receive at least one gear-specific Pacific cod endorsement. Table E-7 also shows the number of endorsements, by gear type, operation type, and the MLOA designation on the license. Under Component 7, a maximum of 21 pot CV licenses would be made available to Western GOA CQE communities, and 50 CV licenses (26 pot and 24 hook-and-line) would be available to Central GOA CQE communities. All of these licenses would have an MLOA designation of less than 60 ft. Finally, the hook-and-line CP licenses that qualify under the halibut PSC co-op exemption are limited to participating in the offshore sector; this includes 3 Western GOA and 12 Central GOA CP licenses.

**Table E-7 Number of licenses estimated to qualify for gear-specific Pacific cod endorsements, and maximum number of licenses available to CQE communities.**

	Western GOA	Central GOA
Hook-and-line CV <60 ft	7	123
Hook-and-line CV ≥60 ft	3	7
Pot CV <60 ft	59	51
Pot CV ≥60 ft	21	27
Jig CV	11	19
<b>Total CV*</b>	<b>94</b>	<b>215</b>
<u>Additional licenses available to CQEs</u>		
CQE Pot CV <60 ft	21	26
CQE Hook-and-line CV <60 ft	0	24
Hook-and-line CP <125 ft	9	5
Hook-and-line CP ≥125 ft	7	7
Hook-and-line CP <125 ft Offshore Limited**	0	5
Hook-and-line CP ≥125 ft Offshore Limited**	3	7
Pot CP	4	3
<b>Total CP*</b>	<b>21</b>	<b>27</b>

\*Total number of licenses that will receive at least one gear-specific Pacific cod endorsements. Some licenses qualify for more than one endorsement.

\*\*Licenses that qualify for a hook-and-line CP endorsement under the exemption for participants in the voluntary PSC co-op are limited to participating in the offshore sector.

**Table E-8 Summary of Council's Preferred Alternative**

<b>COMPONENT</b>	<b>ALTERNATIVE 2</b> Add non-severable, gear-specific Pacific cod endorsements to fixed gear licenses that would limit entry into the directed Pacific cod fisheries in the Western and Central GOA.
<b>Component 1:</b> Areas included	Western GOA and Central GOA. Different options may be selected for each management area.
<b>Component 2:</b> Identify and define sectors	Different catch thresholds may be selected for different gear types, operation types, and vessel lengths. Individual licenses may qualify for more than one gear-specific endorsement (jig, hook-and-line, and pot). <ul style="list-style-type: none"> <li>• Hook-and-line CP</li> <li>• Hook-and-line ≥60 and Hook-and-line &lt;60</li> <li>• Pot CP</li> <li>• Pot CV ≥60 and Pot CV &lt;60</li> <li>• Jig</li> </ul> <b>Provision</b> to exempt vessels using jig gear from the LLP requirement if they use a maximum of 5 jiggling machines, 1 line per machine, and 30 hooks per line. Licenses with a jig Pacific cod endorsement not subject to gear limits.
	<b>Option:</b> CV LLPs that qualify for a pot endorsement that have an MLOA of <50 ft will be increased to 50 ft MLOA.
<b>Component 3:</b> Qualifying years	<b>Option 2:</b> 2002-2006 <b>AND</b> <b>Option 3, Suboption 2:</b> 2007- December 8, 2008  <b>Provision:</b> GOA hook-and-line catcher processor LLP licenses that participated in the informal PSC co-op during 2006, 2007, or 2008 will receive a hook-and-line CP Pacific cod endorsement, but will be limited to participating in the offshore processing sector in the GOA P.cod fishery.
<b>Component 4:</b> Catch thresholds	Qualifying catch is defined as Pacific cod landings made when the directed Pacific cod fisheries are open, and includes Federal and parallel waters landings. IFQ and State waters cod landings are excluded.  1 landing for jig gear 10 mt for <60 ft pot and <60 ft hook-and-line CVs 50 mt for ≥60 ft pot and ≥60 ft hook-and-line CVs 50 mt for pot CPs and hook-and-line CPs  <b>Provision:</b> Licenses with an MLOA of ≥60 ft assigned to vessels with an LOA of <60 ft may qualify for a P.cod endorsement at the <60 ft threshold.
<b>Component 5:</b> Stacked licenses	<b>Provision:</b> When multiple LLPs are 'stacked' on a single vessel, qualifying catch history will be fully credited to all stacked licenses.
<b>Component 7:</b> CQE communities	<b>Provision</b> to provide fixed gear LLP licenses to qualified Community Quota Entities (CQEs) in the Western GOA and Central GOA. Licenses would have an MLOA of 60 ft and either a pot or hook-and-line endorsement. A maximum of 50 Central GOA and 21 Western GOA licenses would be issued; the details of how these licenses will be distributed among CQEs are described in Chapter 2. Licenses could be used by persons who meet the definition of a CQE resident, also described in Chapter 2.

**Note:** This table provides a general summary of the components and options in the Council's preferred alternative. See Appendix B for the exact wording of the final motion.

## 1.0 INTRODUCTION

The groundfish fisheries in the Exclusive Economic Zone (3 to 200 miles offshore) of the Gulf of Alaska (GOA) are managed under the GOA Fisheries Management Plan (FMP), developed by the North Pacific Fishery Management Council under the Magnuson-Stevens Fishery Conservation and Management Act. The GOA FMP was approved by the Secretary of Commerce and became effective in 1978.

This Environmental Assessment/Regulatory Impact Review/Initial Regulatory Flexibility Analysis (EA/RIR/IRFA) examines the environmental, economic, and socioeconomic aspects of the proposed Federal regulatory action. The North Pacific Fishery Management Council's (Council) preferred alternative would be Amendment 86 to the GOA FMP. The preferred alternative would add gear-specific Pacific cod endorsements to Western and Central GOA fixed gear groundfish LLP licenses.

Executive Order 12866 (E.O. 12866) requires preparation of a Regulatory Impact Review (RIR) to assess the social and economic costs and benefits of available regulatory alternatives, in order to determine whether a proposed regulatory action is economically significant, as defined by the order. This analysis is included in **Chapter 2**. An Environmental Assessment (EA) is required by the National Environmental Policy Act of 1969 (NEPA) to determine whether the proposed action will result in a significant impact on the human environment. If the action is determined not to be significant based on an analysis of the relevant considerations, the EA and finding of no significant impact (FONSI) would be the final environmental documents required by NEPA. An Environmental Impact statement (EIS) must be prepared for major Federal actions significantly affecting the human environment.

The purpose of the EA is to analyze the environmental impacts of the proposed Federal action to remove latent fixed gear licenses from the Western and Central GOA. The human environment is defined by the Council on Environmental Quality as the natural and physical environment and the relationships of people with that environment (40 CFR 1508.14). This means that economic or social effects are not intended by themselves to require preparation of an EA. However, when an EA is prepared and socio-economic and natural or physical environmental impacts are interrelated, the EA must discuss all of these impacts on the quality of the human environment. NEPA requires a description of the purpose and need for the proposed action, as well as a description of alternatives which may address the problem. This information is included in **Chapter 3** of this document, as well as a description of the affected human environment and information on the impacts of the alternatives on that environment.

**Chapter 4** addresses requirements of the Regulatory Flexibility Act (RFA). The RFA requires an analysis of potential adverse economic impacts accruing to small entities that would be directly regulated by the proposed action. **Chapter 5** addresses other applicable laws, including the Magnuson Stevens Act and Marine Mammal Protection Act. The references and literature cited are in **Chapter 6**, the list of preparers is in **Chapter 7**, and the list of agencies and individuals consulted is in **Chapter 8**.

### 1.1 Purpose and Need for the Action

Management of the GOA groundfish fisheries has become increasingly complex as a result of Steller sea lion protection measures, increased participation by vessels displaced from other fisheries, and bycatch reduction requirements under the Magnuson-Stevens Act (MSA). These factors have made achieving the goals set by the National Standards in the MSA difficult, and have had significant adverse social and economic impacts on harvesters, processors, crew, and communities that depend on the GOA fisheries. In 1999, the Council began developing a package of measures to rationalize the GOA groundfish fisheries, and in April 2003 the Council defined a set of preliminary alternatives. During 2003 through



2006, the Council worked to develop and refine these alternatives. However, in December 2006, the Council decided to delay further consideration of the comprehensive rationalization program and, instead, proceed with the more discrete issues of allocating the Pacific cod resource to the various gear sectors. Simultaneously, the Council recommended limiting future entry to the GOA groundfish fisheries by extinguishing latent License Limitation Program (LLP) groundfish licenses. In April 2008, the Council took final action to remove latent trawl licenses from the BSAI and GOA. The Council began reviewing options to remove latent fixed gear licenses from the GOA fisheries in 2007.

In October 2007, the Council adopted a problem statement, outlined draft components and options, and directed staff to prepare an EA/RIR/IRFA for a proposed amendment to revise the LLP. The Council's motion included options to either remove latent fixed gear licenses from the Western and Central GOA groundfish fisheries or add Pacific cod endorsements to fixed gear licenses, in order to limit entry into the directed Pacific cod fisheries. The Council reviewed a draft initial EA/RIR/IRFA at its December 2008 meeting, and decided to retain the options to add Pacific cod endorsements to licenses, and remove the options to extinguish latent fixed gear licenses. The Council recommended that the Pacific cod fixed gear endorsement document be released for public review, and took final action at the April 2009 meeting.

### **1.1.1 Purpose and Need statement**

The LLP limits access to the groundfish and crab fisheries in the Bering Sea, Aleutian Islands, and GOA.<sup>1</sup> In the mid to late 1990s, the Council developed the LLP to address capacity concerns and take a first step toward rationalization of the groundfish fisheries under its management. Fishing under that program began in 2000. Competition among fixed gear participants in the Western and Central GOA Pacific cod fisheries has intensified in recent years, and long-term participants are concerned about the potential for latent fixed gear licenses to re-enter the fisheries. The proposed amendment would address this concern by adding gear-specific Pacific cod endorsements to fixed gear licenses that have made recent landings in the Western GOA and Central GOA directed Pacific cod fisheries.

The sectors potentially affected by the proposed amendment include fixed gear catcher vessel and catcher processor groundfish LLP license holders with Western and Central GOA<sup>2</sup> area endorsements. The action would add gear-specific Pacific cod endorsements to fixed gear licenses that meet the minimum landings or catch (mt) threshold. Fixed gear licenses would be required to carry a gear-specific Pacific cod endorsement, in addition to the appropriate area endorsement, to participate in the directed Pacific cod fisheries in Federal waters in the Western and Central GOA.

The rationale for this action is concern over the impacts that future entry of latent fixed gear effort may have on current LLP permit holders that participate in the Western and Central GOA Pacific cod fisheries. Latent effort, for the purpose of the proposed action, is comprised of valid LLPs that have not been utilized in the directed Pacific cod fisheries during recent years. Recent participation has been defined by the Council to be participation in the Western or Central GOA directed Pacific cod fisheries, using fixed gear, during a specified time period (e.g., 2000 through 2006, 2002 through 2006, 2000 through 2008, or 2002 through 2008). The proposed action would add gear-specific Pacific cod endorsements to Western and Central GOA fixed gear LLP licenses that meet minimum landings thresholds during a specific qualifying period. This action may enhance stability in the GOA Pacific cod fisheries, reduce competition among fixed gear participants, and sustain the historic division of catch among recent participants. If entry into the Pacific cod fisheries is not limited by a Pacific cod endorsement requirement, future entry of latent effort into the Western and Central GOA Pacific cod fisheries could

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<sup>1</sup> Amendment 39 to the BSAI groundfish plan and Amendment 41 to the groundfish plan for the GOA established the LLP. The primary rules governing the LLP are contained in 50 CFR 679.4(k).

<sup>2</sup>Note that under LLP area designations, the Central GOA subarea includes West Yakutat.

further intensify competition among fixed gear participants and erode catch amounts of long-term participants.

To address these concerns, the Council adopted the following problem statement:

#### **GOA Fixed Gear Recency Purpose and Need statement**

Western GOA and Central GOA Pacific cod fisheries are subject to intense competition, particularly during the A season, when fish are aggregated and of highest value. Competition among fixed gear participants in the Western GOA and Central GOA Pacific cod fisheries has increased for a variety of reasons, including increased market value of Pacific cod products, a declining ABC/TAC, increased participation by harvesters displaced from other fisheries and introduction of capital that has been accrued from participation in rationalized fisheries. The possible future entry of latent effort would have detrimental effects on LLP holders that have exhibited participation in, and dependence on, the fixed gear Pacific cod fisheries. Many fixed gear vessel owners have made significant investments, have long catch histories, and are dependent on the Western GOA and Central GOA Pacific cod resources. These long-term participants need protection from those who have little or no recent history and who have the ability to increase their participation in the Pacific cod fisheries. At the same time, retaining Federal waters opportunities for small community quota eligible (CQE) communities dependent on access to a range of fishery resources and expanding opportunities in Federal waters for small capacity jig operations is valued to promote community protections at a level that imposes minimal impact on historic catch shares of recent participants.

The intent of the proposed amendment is to prevent the future entry or re-entry of latent fixed gear groundfish fishing capacity that has not been utilized in recent years into the Pacific cod fisheries. This requires prompt action to promote stability in the fixed gear sectors of the GOA Pacific cod fisheries, and is expected to be implemented concurrently with the division of GOA Pacific cod among sectors which is currently under consideration. However, this action cannot address continued growth in the waters managed by the State of Alaska.

Limiting entry into the fisheries with a Pacific cod endorsement requirement may prevent future gross revenues from Pacific cod harvests in the respective management areas from being diluted by future increases in fishing effort by latent license holders. Those LLP holders exhibiting dependence upon, and participation in, the fixed gear Pacific cod fisheries, (i.e., those meeting the selected threshold criteria), would be protected from possible future increases in effort and dilution of their gross revenue share. However, this action may not result in increased production efficiencies that would generally be expected from a comprehensive rationalization program. Following implementation of the amendment, each qualified LLP holder will still have an incentive to expand fishing effort and maximize his or her respective share of the gross revenues in the open access GOA Pacific cod fisheries. The action will not necessarily result in an 'optimum' harvesting capacity in any of the sectors or management areas.

The Council is considering a range of potential catch and landings thresholds, qualification periods, and catch definitions. The number of Pacific cod endorsements that would be added to fixed gear licenses under any of these options was not based on a predetermined optimum capacity for the fixed gear fleet. Rather, the action would revise the LLP, by precluding entry of latent effort into the directed Pacific cod fisheries and, thus, is a more modest approach to resolving participation issues than a fully rationalized fixed gear Pacific cod fishery.

## **1.2 Alternatives, Components, and Options**

This analysis considers two alternatives. **Alternative 1** (no action) would not make any changes to the existing License Limitation Program (LLP). **Alternative 2** would add gear-specific Pacific cod

endorsements to fixed gear groundfish LLP licenses, which would limit entry into the directed Pacific cod fisheries in Federal waters of the Central and Western GOA. There are seven components under Alternative 2 that outline the details of the proposed action.

**Component 1** identifies the management areas subject to the proposed action, the Western GOA and Central GOA. Note that under the LLP, the Central GOA area endorsement also authorizes vessels to fish in the West Yakutat management area. **Component 2** identifies the sectors subject to the proposed action. The Council could select different landings or catch (mt) thresholds for vessels in different sectors. Individual licenses may qualify for any combination of a jig, hook-and-line, and pot endorsement if the license meets the respective threshold(s) for the appropriate gear type, operation type, and vessel length.

**Component 3** identifies the qualifying years that could be selected for purposes of defining recent participation in the GOA directed Pacific cod fisheries: 2000 through 2006; 2002 through 2006; or either 2000 through 2006 or 2002 through 2006, plus the additional years identified in Suboption 1 (2007 through Jun 4, 2008) or Suboption 2 (2007 through Dec 8, 2008). A provision in Component 3 states that one of the suboptions under Option 3 will be selected. If Suboption 3 is selected, any license that qualifies for a Pacific cod endorsement only when landings during 2007 and 2008 are included would receive a nontransferable Pacific cod endorsement. The endorsement would be extinguished, if the license is subsequently transferred to another vessel or owner.

**Component 4** provides a definition of qualifying catch, and lists options for landings and catch (mt) thresholds. Licenses will be credited with retained catch of Pacific cod from the directed Pacific cod fisheries in the Federal and parallel waters fisheries. Directed Pacific cod catch is defined as landings made when the directed Pacific cod fisheries are open. Licenses are credited with landings made up to 7 days after the directed season closes in order to allow time for deliveries to be made or processing activity to be reported. Landings must be made with fixed gear (pot, hook-and-line, or jig) in the endorsement area. Catch in the IFQ and State waters fisheries is excluded. Note that licenses with Central GOA endorsements are also credited with landings in the West Yakutat management area, because under the LLP, the Central GOA endorsement authorizes licenses to fish in Federal waters of West Yakutat. Licenses that meet a landings threshold of 1, 3, or 5 landings; or a catch threshold of 5 mt, 10 mt, 25 mt, or 100 mt, in the respective management area, and using the appropriate gear type, will receive a gear-specific Pacific cod endorsement. Qualifying catch includes catch in the aggregate during the qualifying period.

**Component 5** addresses issues related to vessels that have multiple LLPs, or ‘stacked’ licenses. In these cases, qualifying catch will be fully credited to all stacked licenses. **Component 6** provides an option to add a new endorsement to fixed gear groundfish LLP licenses with Western GOA or Central GOA area endorsements that would limit the width or simple gross tonnage of the vessel assigned to the license. There are a number of unresolved issues associated with the proposed endorsement, and these are discussed in detail in Chapter 2. Finally, **Component 7** proposes to provide fixed gear LLP licenses to qualified Community Quota Entities (CQEs) in the Western GOA and Central GOA. Licenses would have an MLOA of 60 ft and either a pot or hook-and-line endorsement. A maximum of 50 Central GOA and 21 Western GOA licenses would be issued; the details of how these licenses are distributed among CQEs are described in Chapter 2. Licenses could be used by persons who meet the definition of a CQE resident, also described in Chapter 2.

The Council is considering several exemptions from the proposed action and from the LLP requirement. These exemptions would, (1) allow certain types of vessels to participate in the GOA directed Pacific cod fisheries without a Pacific cod endorsement or LLP license, and (2) exempt some licenses from the catch thresholds, allowing these licenses to qualify for a Pacific cod endorsement, even if they do not have

qualifying catch. In determining which exemptions will be selected, the Council may wish to consider balancing the objective of creating opportunities for new entry, with the need to protect long-term participants from an influx of additional effort into the fisheries. The proposed exemptions include:

- An exemption from the groundfish LLP requirement in the Western and Central GOA for vessels using jig gear that use a maximum of 5 jigging machines, 5 lines, and 30 hooks per line.
- An exemption from the Pacific cod endorsement requirement for vessels using fixed gear in the Western GOA B season directed Pacific cod fishery. A suboption would exempt only vessels using pot gear.
- An exemption from the catch thresholds for CP licenses that voluntarily stood down from the GOA Pacific cod fisheries during 2006, 2007, or 2008 as part of the informal hook-and-line CP halibut PSC cooperative. These licenses would receive a hook-and-line CP endorsement, but would be limited to participating in the offshore processing component of the GOA Pacific cod fishery.

Below is the exact text of the complete suite of alternatives, components, and options considered in this amendment package, as revised by the Council at its April 2009 meeting. A summary table of the alternatives is provided as Table 1-1

**ALTERNATIVE 1. No Action.** No changes would be made to the current License Limitation Program.

**ALTERNATIVE 2.** Add non-severable, gear-specific Pacific cod endorsements to fixed gear licenses. Pacific cod endorsements would limit entry into the directed Pacific cod fisheries in the Western and Central GOA.

#### **Component 1— Areas included**

Western GOA

Central GOA (current LLP endorsement includes West Yakutat)

- Different options may be applied to each management area.

#### **Component 2— Identify and define sectors**

The sector definitions for awarding Pacific cod endorsements may be different from those used for the GOA Pacific cod sector split action. The purpose of sector definitions in this action is to allow the Council to select different catch thresholds for the different gear types, operation types, and vessel lengths. Individual licenses may qualify for any combination of a jig, hook-and-line, and pot endorsement if the license meets the respective threshold(s) for the appropriate gear type, operation type, and vessel length.

- Hook-and-line CP  
Option: Hook-and-line CP  $\geq 125$   
Hook-and-line CP  $< 125$
- Hook-and-line CV  
Option: Hook-and-line  $\geq 60$   
Hook-and-line  $< 60$
- Pot CP
- Pot CV

Option: Pot CV  $\geq 60$   
Pot CV  $< 60$

- Jig  
Exempt vessels using jig gear from the LLP requirement (including the Pacific cod endorsement requirement) that use a maximum of 5 jigging machines, 5 lines, and 30 hooks per line.

Option: Exempt vessels participating with fixed gear in the Western GOA B season directed Pacific cod fishery from the Pacific cod endorsement requirement.

Suboption: Exempt vessels using pot gear only.

Option: CV LLPs that qualify for a pot endorsement that have an MLOA of  $< 50$  ft will be increased to 50 ft MLOA.

### **Component 3 – Qualifying years**

Option 1: 2000-2006

Option 2: 2002-2006

Option 3: Add the qualifying period January 1, 2007 through:

Suboption 1: June 4, 2008

Suboption 2: December 8, 2008

- Either of these suboptions will be selected in addition to one of the qualifying periods in Option 1 or Option 2.

Suboption 3: If an LLP license qualifies only when the supplemental range of years in Suboption 1 or Suboption 2 is included, any Pacific cod endorsements granted to licenses under these suboptions would be extinguished upon transfer of the LLP license to another vessel or owner.

- If a GOA hook-and-line catcher processor LLP license holder was a voluntary non-participant in the Freezer Longliner Coalition informal PSC co-op efforts of 2006, 2007, or 2008, the LLP would receive a Pacific cod endorsement. If gear-specific Pacific cod endorsements are a result of this action, the licenses would receive a hook-and-line Pacific cod endorsement, but would only be allowed to participate in the offshore fishery.

### **Component 4 – Catch thresholds**

Thresholds shall be based on legally retained catch in the aggregate during all of the qualifying years in the Federal and parallel fisheries (excluding IFQ catch). Separate and distinct thresholds may be determined for each defined sector.

Option 1: All directed Pacific cod 1, 3, or 5 landings (resulting in a Pacific cod endorsement)

Option 2: All directed Pacific Cod 5, 10, 25, or 100 mt (resulting in a Pacific cod endorsement)

Option: Hardship provision. A GOA fixed gear LLP holder who had 5 or more Pacific cod landings in 1999, but had a vessel on which the LLP was used sink in 1999 or 2000, shall be credited with qualifying history so as to obtain a Pacific cod endorsement.

For licenses with an MLOA of  $\geq 60$  ft but assigned to vessels with an LOA of  $< 60$  ft, those licenses that do not meet the higher threshold (i.e.,  $\geq 60$  ft) can qualify at the lower threshold, however the MLOA of the license will be changed to match the LOA of the vessel if an application for a Pacific cod endorsement is submitted. The LLP licenses must have been assigned to a vessel  $< 60$  ft LOA during the entire

qualifying period. The recipient would need to certify the LOA of the vessel as of the effective date of the rule.

Directed Pacific cod catch is defined as landings made when the directed Pacific cod fisheries are open. For purposes of catch accounting, licenses are credited with deliveries or processing activity recorded up to 7 days after the directed season closes.

### **Component 5 – Stacked license provisions**

Where there are multiple LLPs registered to a single vessel, also known as ‘stacking’ of LLPs, groundfish harvest history will be fully credited to all stacked licenses, each carrying its own qualifying endorsements and designations.

### **Component 6 – Capacity/efficiency limits to CV and CP fixed gear LLPs**

Add a width restriction (efficiency restriction) on each CV and CP fixed gear LLP license that is eligible to access Pacific cod under this action. The width restriction would be 1 ft of width for each 3 ft of length, and is based on the LOA of the vessel assigned to the license on December 8, 2008. The licenses that are assigned to vessels on December 8, 2008 that exceed the width restriction will be grandfathered at their present LOA. For vessels under construction on December 8, 2008, the width restriction for the license shall be equal to the vessel width upon completion. Vessels would be required to report width measurements to RAM.

Option: Add a simple gross tonnage maximum to licenses.

### **Component 7 – CQE communities**

Qualified Community Quota Entities (CQEs) in the Central and Western Gulf of Alaska shall be eligible to request, from NMFS, non-transferable fixed gear groundfish licenses with a Pacific cod endorsement for the management area in which the community is located. Each qualified CQE may request additional fixed gear LLPs up to the number listed for each CQE in the table below. These licenses shall have an MLOA of 60 ft and gear designations will be assigned as follows:

- Western GOA LLPs will be endorsed for pot gear
- In the Central GOA, CQEs will have 6 months after implementation to notify NMFS regarding the gear endorsement (pot or hook-and-line) that will be assigned to CQE LLPs. However, if the CQE does not notify NMFS, the following rule will be applied to assign gear endorsements: for each CQE, LLPs will be split 50% pot gear and 50% hook-and-line gear. If there is an odd number of licenses then the additional LLP will be assigned a pot designation.

The LLP is issued to the CQE and the CQE designates the vessel to which the LLP license is assigned. Prior to requesting a LLP, the CQE shall provide NMFS with a detailed plan for soliciting and determining recipients of the CQE permit (similar to the plan requirements of Amendment 66). The CQE shall determine who may use the LLP license and provide them with a letter of authorization. The CQE will attest to NMFS-RAM that the authorized person meets residency requirements as under Amendment 66, with the exception of the IFQ crew member sea-days requirement. The LLP license issued cannot designate more than one vessel per LLP per calendar year.

CQEs that request LLPs shall be required to submit annual reports to the Council and NMFS similar to those required under the CQE halibut and sablefish program. Reports shall be provided separately from reports on the CQE halibut and sablefish program. For example, the reports shall provide information on

the distribution of LLPs to community residents, vessels assigned to LLPs, number and residency of crew, and any payments made to CQEs for use of the LLPs.

**Table 1. Maximum number of licenses that may be requested by each CQE community.**

<u>Central GOA Licenses</u>		<u>Western GOA Licenses</u>	
Akhiok*	2	Ivanof Bay	2
Chenega Bay*	2	King Cove*	7
Chignik	2	Perryville*	2
Chignik Lagoon	4	Sand Point*	10
Chignik Lake	2	Total	21
Halibut Cove	2		
Karluk	2		
Larsen Bay*	2		
Nanwalek*	2		
Old Harbor*	2		
Ouzinkie*	7		
Port Graham*	2		
Port Lions	6		
Seldovia	6		
Tyonek	2		
Yakutat*	3		
Tatitlek	2		
Total	50		

\*Eligible communities that have formed CQEs.

**Table 1-1 Summary of Alternatives, Components, and Options under Consideration**

COMPONENT	ALTERNATIVES and OPTIONS	
	<b>ALTERNATIVE 1</b> No action.	<b>ALTERNATIVE 2</b> Add non-severable, gear-specific Pacific cod endorsements to fixed gear licenses that would limit entry into the directed Pacific cod fisheries in the Western and Central GOA.
<b>Component 1:</b> Areas included	N/A	Western GOA and Central GOA. Different options may be selected for each management area.
<b>Component 2:</b> Identify and define sectors	N/A	Different catch thresholds may be selected for different gear types, operation types, and vessel lengths. Individual licenses may qualify for more than one gear-specific endorsement (jig, hook-and-line, and pot). <ul style="list-style-type: none"> <li>• Hook-and-line CP</li> <li>Option: Hook-and-line CP <math>\geq 125</math> and Hook-and-line CP <math>&lt; 125</math></li> <li>• Hook-and-line CV</li> <li>Option: Hook-and-line <math>\geq 60</math> and Hook-and-line <math>&lt; 60</math></li> <li>• Pot CP</li> <li>• Pot CV</li> <li>Option: Pot CV <math>\geq 60</math> and Pot CV <math>&lt; 60</math></li> <li>• Jig</li> </ul> <p><b>Provision</b> to exempt vessels using jig gear from the LLP requirement if they use a maximum of 5 jiggling machines, 1 line per machine, and 30 hooks per line. Licenses with a jig Pacific cod endorsement not subject to gear limits.</p> <p><b>Option</b> to exempt vessels using fixed gear in the Western GOA B season directed Pacific cod fishery from the Pacific cod endorsement requirement. <b>Suboption</b> to exempt pot gear only.</p>
		<p><b>Option:</b> CV LLPs that qualify for a pot endorsement that have an MLOA of <math>&lt; 50</math> ft will be increased to 50 ft MLOA.</p>
<b>Component 3:</b> Qualifying years	N/A	<p><b>Option 1:</b> 2000-2006  <b>Option 2:</b> 2002-2006  <b>Option 3:</b> Add the qualifying period January 1, 2007 through:</p> <ul style="list-style-type: none"> <li><b>Suboption 1:</b> June 4, 2008</li> <li><b>Suboption 2:</b> December 8, 2008</li> </ul> <p>(Suboption 1 or 2 <b>will</b> be selected in addition to Opt 1 or Opt 2)</p> <p><b>Suboption 3:</b> If an LLP license qualifies only when the supplemental range of years in Suboption 1 or Suboption 2 is included, any Pacific cod endorsements granted to licenses under these suboptions would be extinguished upon transfer of the LLP license to another vessel or owner.</p> <p><b>Provision:</b> GOA hook-and-line catcher processor LLP licenses that participated in the informal PSC co-op during 2006, 2007, or 2008 will receive a hook-and-line CP Pacific cod endorsement, but will be limited to participating in the offshore processing sector in the GOA P.cod fishery.</p>

**Note:** This table provides a general summary of the alternatives, components and options in the Council’s motion. See Chapter 2 for the exact wording of the motion.



**Table 1-1 (continued) Summary of Alternatives, Components, and Options under Consideration**

COMPONENT	ALTERNATIVES and OPTIONS	
	ALTERNATIVE 1	ALTERNATIVE 2
<p><b>Component 4:</b> Catch thresholds</p> <p><b>Component 4</b> <b>(continued)</b></p>	N/A	<p>Qualifying catch is defined as Pacific cod landings made when the directed Pacific cod fisheries are open, and includes Federal and parallel waters landings. IFQ and State waters cod landings are excluded.</p> <p><b>Option 1:</b> 1, 3, or 5 landings <b>Option 2:</b> 5 mt, 10 mt, 25 mt, or 100 mt</p> <p><b>Option:</b> Hardship provision for licenses assigned to vessels that sank in 1999 or 2000.</p> <p><b>Provision:</b> Licenses with an MLOA of <math>\geq 60</math> ft assigned to vessels with an LOA of <math>&lt; 60</math> ft may qualify for a P.cod endorsement at the <math>&lt; 60</math> ft threshold.</p>
<b>Component 5:</b> Stacked licenses		<b>Provision:</b> When multiple LLPs are 'stacked' on a single vessel, qualifying catch history will be fully credited to all stacked licenses.
<b>Component 6:</b> Capacity limits		<b>Provision</b> to add a width restriction to each fixed gear LLP license that receives a Pacific cod endorsement under this action. The width restriction would be 1 ft of width for each 3 ft of length, based on the LOA of the vessel assigned to the license. Suboption to add a gross tonnage limit.
<b>Component 7:</b> CQE communities		<b>Provision</b> to provide fixed gear LLP licenses to qualified Community Quota Entities (CQEs) in the Western GOA and Central GOA. Licenses would have an MLOA of 60 ft and either a pot or hook-and-line endorsement. A maximum of 50 Central GOA and 21 Western GOA licenses would be issued; the details of how these licenses will be distributed among CQEs are described in Chapter 2. Licenses could be used by persons who meet the definition of a CQE resident, also described in Chapter 2.

**Note:** This table provides a general summary of the alternatives, components and options in the Council’s motion. See Chapter 2 for the exact wording of the motion.

**Options considered but rejected:**

At its June 2008 meeting, the Council removed options from their motion that would have precluded vessels from participating in both the trawl and fixed gear sectors during a given year, or would have required vessels to make a one time election to participate in either the trawl or fixed gear sectors. The Council reviewed data that showed that approximately 10 to 15 vessels use both trawl and fixed gear in the Pacific cod fisheries (most operating in the Western GOA) on an annual basis. Restricting vessels to using only one gear type during a given year would impact the annual fishing operations of this group of vessels. In addition, when the trawl recency action is implemented, only a small number of licenses will hold dual gear designations.

At its December 2008 meeting, the Council removed options that would have extinguished Western GOA and Central GOA area endorsements from fixed gear licenses that did not meet catch thresholds, based on all groundfish landings. Instead, the proposed action will add Pacific cod endorsements to licenses that have recent Pacific cod catch history in the directed Pacific cod fisheries in the Western and Central GOA. The Council also removed an option that would have exempted vessels less than 60 ft LOA and under a specified capacity limit from the LLP requirement or from the Pacific cod endorsement requirement. The majority of WGOA and CGOA CV licenses have an MLOA of less than 60 ft, and

exempting these licenses from the action would substantially limit the scope of the action. Instead of the less than 60 ft exemption, the Council has included a provision to exempt all vessels using jig gear from the LLP requirement in the GOA. The intent of the jig exemption is to provide entry-level opportunities into the fisheries. The Council also removed options to use 2000 to 2005 or 2002 to 2005, as qualifying periods under Component 4. There are now options to include more recent catch history (through June 4, 2008 or December 8, 2008). Under Component 5, the Council removed an option to divide catch history among licenses that were stacked on a vessel at the time of landing. This option was removed, because apportioning catch history among stacked licenses has the potential to complicate implementation of the action. For example, if a vessel has two stacked licenses, and catch is split evenly between the two licenses, it is possible that neither license would meet the qualification threshold selected by the Council. The Council could include a provision that would give the license owner(s) the opportunity to choose which license would be credited with landings, so that one of the stacked licenses could qualify. In the absence of an agreement among license owners, catch history could be split evenly. If a catcher processor license is stacked with a catcher vessel license, and there are different qualification criteria for these operation types, the license owners could potentially choose to split history between the two licenses, so that both licenses qualify, thus, effectively negating the Council's apportionment scheme.

At the April 2009 meeting, the Council revised Component 7. Previously, Component 7 would have exempted licenses held by residents of CQE communities from the catch or landings thresholds. There were several administrative and implementation issues with this approach, described in detail in this analysis. As a result, the Council revised Component 7 to make a specific number of fixed gear LLP licenses available to each CQE community. The rationale for this approach is discussed in Chapter 2.

### **Consistency with the Problem statement**

The alternatives under consideration are consistent with the problem statement. The problem identified is that fixed gear license holders who have made significant, long-term investments, have extensive catch histories, and are highly dependent on the Western and Central GOA Pacific cod fisheries need protection from the potential increase in competition that may be caused by the entry (re-entry) of latent licenses into the fisheries. If latent fixed gear licenses remain eligible for entry or re-entry into the Western and Central GOA Pacific cod fisheries, future participation levels may increase, intensifying the existing regulated open access race for the Western and Central GOA Pacific cod TACs.

Under the no action alternative (Alternative 1), latent fixed gear licenses with Western or Central GOA endorsements will continue to have the potential to enter the directed Western and Central GOA Pacific cod fisheries. If this alternative is selected, any of the currently existing fixed gear licenses could enter the Western and Central GOA Pacific cod fisheries in the future and dilute revenues, increase costs, or both, for licenses that have participated in the fisheries during recent years. Increased participation may result in negative economic impacts to current participants in the fisheries. If Pacific cod endorsements are not added to fixed gear licenses, licenses with no recent catch history in the GOA Pacific cod fisheries could enter the fisheries and erode the historic division of catch among recent participants.

Alternative 2 includes options to add gear-specific Pacific cod endorsements to fixed gear licenses. Pacific cod endorsements would limit entry into the directed Pacific cod fisheries in Federal waters of the Western and Central GOA. This action would restrict fixed gear capacity in the GOA Pacific cod fisheries to include only licenses that have recent catch history in the fisheries. Those LLP holders exhibiting dependence and participation in the fixed gear Pacific cod fisheries, (i.e., those meeting the selected threshold criteria), would be protected from possible future increases in effort and dilution of their gross revenue share.

## 2.0 REGULATORY IMPACT REVIEW

This chapter provides information on the economic and socioeconomic impacts of the alternatives, as required by Executive Order (E.O.) 12866 (58 FR 51735; October 4, 1993). This chapter includes a description of the GOA Pacific cod fisheries, an analysis of the potential effects of the proposed action on the fisheries, identification of the individuals or groups that may be affected by the action, and a discussion of the nature of those impacts (quantifying the economic impacts where possible) and potential tradeoffs.

The requirements for all regulatory actions specified in E.O. 12866 are summarized in the following statement from 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 nevertheless essential to consider. Further, in choosing among alternative regulatory approaches, agencies should select those approaches that maximize net benefits (including potential economic, environment, public health and safety, and other advantages; distributive impacts; and equity), unless a statute requires another regulatory approach.*

E.O. 12866 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:

- (1) 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, the environment, public health or safety, or State, local, or tribal governments or communities;
- (2) Create a serious inconsistency or otherwise interfere with an action taken or planned by another agency;
- (3) Materially alter the budgetary impact of entitlements, grants, user fees, or loan programs or the rights and obligations of recipients thereof; or
- (4) Raise novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in this Executive Order.

### 2.1 The Limited License Program (LLP)

The Limited License Program (LLP) limits access to the Federal groundfish and crab fisheries in the BSAI and GOA.<sup>3</sup> In the mid to late 1990s, the Council developed the LLP to address capacity concerns and take a first step toward rationalization of the groundfish fisheries under its management. Fishing under the program began in 2000. The LLP requirement does not apply to Pacific halibut or lingcod, which are not considered groundfish under the Federal Fisheries Management Plans (FMPs). In addition, some Federal groundfish fisheries are not subject to the LLP requirement. In Federal regulations, License

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<sup>3</sup> Amendment 39 to the BSAI groundfish plan and Amendment 41 to the groundfish plan for the GOA established the LLP. The primary rules governing the LLP are contained in 50 CFR 679.4(k).

Limitation groundfish includes target species and the ‘other species’ category, specified annually pursuant to 679.20(a)(2).

The LLP established criteria for the issuance of licenses to persons based on the fishing history of vessels. This discussion briefly summarizes the primary provisions applicable to the fixed gear participants. The LLP defined a general qualification period (GQP) and an endorsement qualification period (EQP), both of which must have been satisfied for a management subarea for a vessel owner to receive a license. Vessels that met requirements for more than one subarea endorsement were issued a single, non-severable LLP license with multiple area endorsements. Qualification criteria differ across areas and subareas, and include a variety of exceptions meant to address specific circumstances in the different areas.

Table 2-1 shows the primary GQP and EQP requirements, applicable to vessels in the various BSAI and GOA subareas. In general, the endorsements and EQP catch requirements apply to a single subarea. However, the Central GOA endorsement and EQP catch requirements treat the Central GOA area and West Yakutat district as a single LLP endorsement area. Catch in either the Central GOA or West Yakutat qualified a vessel for a Central GOA endorsement, and this endorsement allows a vessel to fish in both the Central GOA and West Yakutat. EQP requirements differ across the different endorsement areas.<sup>4</sup>

**Table 2-1 General LLP license issuance criteria.**

Management area	General Qualification Period (GQP) (Jan. 1, 1988 – June 27, 1992)	Endorsement area	Vessel length and operation	Endorsement Qualification Period (EQP) (Jan. 1, 1992 - June 17, 1995)
Bering Sea and Aleutian Islands	One landing	Bering Sea	All vessels	One landing
		Aleutian Islands	All vessels	One landing
GOA	One landing	Western GOA	CVs ≥ 125 ft and CPs ≥ 60 ft	One landing in at least two calendar years
			CVs < 125 ft and CPs < 60 ft	One landing
		Central GOA	All vessels, ≥ 60 ft	One landing in at least two calendar years
			All vessels < 60 ft	One landing

In addition to the different area endorsements, LLP licenses also carry a designation for operation type (catcher processor or catcher vessel), gear (trawl or fixed gear), and maximum vessel length (MLOA). LLP licenses were issued catcher processor designations if groundfish were processed on the vessel during the period from January 1, 1994 through June 17, 1995, or the last calendar year of the EQP. It is important to recognize that licenses of either operation type (catcher vessel or catcher processor) authorize participation as a catcher vessel. As a result, removing inactive catcher vessel licenses will not prevent entry of catcher processor licenses into the catcher vessel sector.<sup>5</sup> Each license carries a gear designation (trawl or fixed gear) based on the gear used on the vessel during the period from January 1, 1988 through June 17, 1995. If a vessel used both trawl and fixed gear during the qualifying period, its license received both gear designations.

<sup>4</sup> Notably, persons fishing only inside 3 nm (i.e., in State waters only) were eligible for an LLP license based on their State waters participation. However, persons that never acquired a Federal fisheries permit (FFP), required for participation in fisheries in Federal waters, were issued LLPs that are not transferable from the originating vessel.

<sup>5</sup> This transition could occur one of two ways. First, catcher processor licenses can be voluntarily (and irreversibly) converted to a catcher vessel license. In addition, a catcher processor may choose to deliver its catch to shore or to a mothership.

### **Primary LLP License Endorsements and Designations**

**Area endorsements** – Each license carries one or more LLP area endorsements authorizing entry to fisheries in those LLP areas (BS, AI, CG, WG, or SEO).

**Operation-type designations** – Each license carries a designation for either catcher processor operation or catcher vessel operation. A catcher processor may choose to operate as a catcher vessel, delivering its catch to shore or to a mothership.

**Gear designation** – Each license carries a gear designation, trawl and/or fixed gear, authorizing its entry in fisheries for the designated gear.

**MLOA designation** – Each license carries a maximum LOA designation, limiting the length of the vessel that can use the license.

**Non-severability** – The endorsements and designations of a license are non-severable and only transfer with the license.

Finally, each license carries an MLOA endorsement. The MLOA of the vessel assigned to the license cannot exceed the MLOA endorsements on that license. For vessels 125 feet or greater in length on June 24, 1992, the MLOA endorsement is equal to the vessel length. For vessels less than 125 feet in length on that date, the MLOA endorsement is the lesser of 1.2 times the LOA or 125 feet. If a vessel was under reconstruction on June 24, 1995, the basis for determining the MLOA is the vessel's length on completion of the reconstruction. In addition, vessels under 60 feet on June 17, 1995 (or under construction on that date with a reconstructed LOA under 60 feet) cannot have an MLOA greater than 60 feet; vessels under 125 feet on June 17, 1995 (or under construction on that date with a reconstructed LOA under 125 feet) cannot have an MLOA greater than 125 feet; and vessels under construction on that date with a reconstructed LOA over 125 feet will have an MLOA equal to the vessel's reconstructed length.

### **2.1.1 Exemptions from the LLP requirement**

Generally, vessels participating in the groundfish fisheries in Federal waters in the BSAI or GOA are required to have an LLP license with the applicable area endorsement, gear designation (trawl or fixed gear), and operation type designation (catcher processor or catcher vessel), and cannot exceed the allowed MLOA. There are several exemptions from the LLP requirement, including:

- (1) Vessels fishing exclusively in parallel or State waters fisheries
- (2) Vessels less than 26 feet LOA in the GOA and less than 32 feet LOA in the BSAI
- (3) Vessels less than 60 ft LOA using jig gear in the BSAI directed groundfish fisheries, subject to gear restrictions (maximum of 5 jig machines, one line per machine, and 15 hooks per line)
- (4) Vessels participating in the IFQ halibut and sablefish fisheries. Vessels fishing IFQ may also retain groundfish bycatch without an LLP license. This provision was included in the LLP to minimize discards, and is consistent with National Standard 9 of the Magnuson-Stevens Act.

### **2.1.2 Pacific cod endorsements**

Participation in the directed fisheries for Pacific cod in the Bering Sea and Aleutian Islands with pot or hook-and-line gear requires a gear-specific Pacific cod endorsement, in addition to an LLP license with the appropriate gear designation and area endorsements. These endorsements were added to licenses under Amendment 67 to the BSAI FMP and became effective on January 1, 2003. Pacific cod endorsements are not required to participate in the BSAI fisheries using trawl and jig gear. Four endorsements were created under Amendment 67: hook-and-line catcher vessel, pot catcher vessel, hook-and-line catcher processor, and pot catcher processor. The program used a vessel basis for determining qualification, because the LLP had not been implemented during the qualification periods. Vessels were required to meet various catch thresholds to qualify for the different endorsements. Qualification criteria for endorsements are summarized in Table 2-2. Vessels using jig gear could qualify for either a hook-

and-line catcher vessel or pot catcher vessel endorsement, based on their combined jig and hook-and-line catch or jig and pot catch.

**Table 2-2 Qualification criteria for BSAI Pacific cod LLP endorsements.**

Operation type	Gear type used for harvests	Pacific cod harvest threshold	Pacific cod endorsement
Catcher vessel	Hook-and-line or jig	7.5 mt in one year from 1995 to 1999	Hook-and-line catcher vessel
	Pot or jig	100,000 pounds (45 mt) in each of any two years from 1995 to 1999	Pot catcher vessel
Catcher processor	Hook-and-line or jig	270 mt in any one year from 1996 to 1999	Hook-and-line catcher processor
	Pot	300,000 pounds (136 mt) in each of any two years from 1995 to 1998	Pot catcher processor

Under Amendment 67, vessels with multiple licenses were only allowed to qualify for BSAI Pacific cod endorsements on a single license, in order to avoid increasing the capacity through additional entry into the fishery. However, individual licenses could qualify for more than one gear endorsement, although they could not qualify for more than one operation type endorsement within each gear type. For example, a license can carry a pot catcher vessel or pot catcher processor endorsement, but not both. However, a pot catcher processor endorsement allows that vessel to fish as either a catcher processor or catcher vessel. It should be noted that one groundfish license currently has 3 BSAI Pacific cod endorsements. This license has both a catcher vessel and catcher processor endorsement for pot gear. These endorsements still have interim status and are being adjudicated by RAM. Once the adjudication process is completed, licenses will have a maximum of two BSAI Pacific cod endorsements, one for each gear type.

Qualification thresholds for BSAI Pacific cod endorsements were based on retained Pacific cod catch from the directed Pacific cod fishery, and excluded catch used for personal bait. Any vessel under 60 feet was exempt from the endorsement requirements. The action also contained a provision to address unavoidable circumstances. Although the action only limited entry to the Pacific cod fishery, the Bering Sea and Aleutian Islands catcher processor capacity reduction act (which was part of the Consolidated Appropriations Act of 2005) extended the scope of the endorsements for catcher processors to several other species, specifically Atka mackerel, flathead sole, Pacific ocean perch, rock sole, Greenland turbot, and yellowfin sole.

Key BSAI Pacific cod LLP endorsement provisions under Amendment 67:

- Vessels with multiple LLP licenses only received Pacific cod endorsements on a single license, but individual licenses were eligible to qualify for up to 2 gear/operation type endorsements (pot and hook-and-line CV or CP)
- Jig catch could be combined with either pot or hook-and-line catch to qualify for a pot or hook-and-line endorsement
- Catcher vessels less than 60 feet LOA are exempt from the BSAI Pacific cod endorsement requirement
- Vessels exempt from the LLP, and vessels catching Pacific cod for personal use bait, are not required to hold a Pacific cod endorsement

## 2.2 The GOA Pacific cod fishery

### 2.2.1 Management of the fishery

This section describes current management of the GOA Pacific cod fishery, and highlights important regulatory changes in management of the GOA Pacific cod fishery from 1992 through 2008. These regulatory changes are summarized in Table 2-3. Separate area TACs are identified for Pacific cod in the Western GOA, Central GOA, and Eastern GOA management subareas. Final 2008 harvest specifications apportioned 57% of the GOA TAC to the Central GOA (28,426 mt), 39% to the Western GOA (19,449 mt), and 5% to the Eastern GOA (2,394 mt). The total allowable catch (TAC) and percentage of TAC harvested in the Pacific cod fisheries in the Western and Central GOA are summarized in Table 3-3.

The GOA Pacific cod TACs are not divided among gear types, but are apportioned to the inshore and offshore processing sectors, with 90% allocated to the inshore component and 10% to the offshore component. The inshore/offshore apportionments were established in 1992, under GOA Amendment 20. Catcher processors and motherships participating in the directed Pacific cod fisheries must make an annual election to participate in either the inshore or offshore component. The inshore component is comprised of shore plants, stationary floating processors, and vessels less than 125 feet in length that process less than 126 metric tons (round weight) per week of pollock and Pacific cod in the aggregate. In addition, the TACs are apportioned seasonally, with 60% allocated to the A season and 40% to the B season. The A and B seasons were implemented in 2001, as a Steller sea lion protection measure, following listing of the western DPS under ESA. The A season begins on January 1 for fixed gear vessels, and on January 20 for trawl vessels. This delayed start for the trawl season was implemented in 1993 under Amendments 19/24. The intent of the delayed start of the trawl season was to reduce Chinook salmon and halibut bycatch in the BSAI. In the following year, the BSAI Pacific cod TAC was allocated among the gear and operation types, based on catch history. As a result, the different fixed and trawl gear season opening dates did not impact the ability of the sectors to maintain their historic catch divisions of the BSAI TAC.

In the GOA, the A season ends on June 10, but NMFS usually closes the season much earlier, when the directed fishing allowance has been harvested. The B season begins on September 1 for all gear types, and ends Nov 1 for trawl vessels and December 31 for fixed gear vessels. NMFS inseason managers monitor catch in the fisheries and time the closure of the directed fisheries to allow full harvest of the TAC. To meet that goal, the closure must be timed to leave only enough of the TAC to support incidental catch of Pacific cod in other fisheries, during the remainder of their seasons. Managers attempt to time the A season closure to leave a sufficient portion of the A season TAC for incidental catch by other directed fisheries. Incidental catch continues to accrue to the A season TAC until the A season ends on June 10. Any A season overage or incidental catch between the end of the A season (June 10) and the beginning of the B season (September 1) counts against the B season TAC.

**Table 2-3 Regulatory changes impacting management of the GOA Pacific cod fishery, 1992-2009.**

1992	<u>GOA Amendment 20</u> established 90% inshore & 10% offshore processing sector apportionments. Catcher processors and motherships <125 ft LOA may elect annually to participate in the inshore sector. Inshore vessels are limited to processing <126 mt of pollock and Pacific cod (in the aggregate) per week. Later amendments extended these apportionments.
1993	<u>BSAI/GOA Amendment 19/24</u> established Jan 20 start date for trawl gear in both the BSAI and GOA. Intent was to reduce halibut and Chinook salmon bycatch.
1994	<u>BSAI Amendment 24</u> . Established BSAI Pacific cod sector allocations. Later amendments (Am 46, Am 68, Am 77, Am 85) modified these allocations. Allocations to trawl, pot, and hook-and-line sectors were based on catch history. The allocation to the jig sector was higher than historic catch, with the intent of increasing entry level opportunities in the fishery.
1995	<u>BSAI/GOA Amendment 23/28</u> established a moratorium on new vessel entry to the groundfish fisheries. A moratorium permit was issued to any vessel that made a legal landing during a specified qualification period.
1997	The Alaska Board of Fish established the GOA State waters Pacific cod fishery with initial GHs of 15% of WGOA ABC and 15% of CGOA ABC. The GHs were later increased to 25% of the Western and Central GOA ABCs.
1998	<u>BSAI/GOA Amendment 49/49</u> . Increased Retention/Increased Utilization regulations require 100% retention of pollock and Pacific cod (beginning in 1998), and shallow water flatfish (beginning in 2003), when the directed fisheries for these species are open. When the directed fisheries are closed, all catch up to the maximum retainable amount (MRA) must be retained.
1998	The American Fisheries Act was implemented, and AFA-permitted CPs were prohibited from participating in the GOA groundfish fisheries.
2000	Sideboards that limit the GOA groundfish catch of 94 non-exempt AFA CVs were established. 17 AFA CVs were exempted from the sideboard, because they are <125 ft LOA, have annual BSAI pollock landings of <5,100 mt, and made at least 40 landings of GOA groundfish from 1995-1997.
2000	<u>BSAI/GOA Amendment 60/58</u> . Groundfish LLP implemented. Vessels must hold a groundfish LLP with the appropriate gear (trawl or fixed gear), area (WG or CG), and operation type (CV or CP) endorsement to participate in the WGOA or CGOA groundfish fisheries in Federal waters. No LLP license is required to participate in the parallel waters fisheries.
2001	The WGOA and CGOA Pacific cod TACs were apportioned seasonally under the Steller sea lion management measures. 60% of each TAC is apportioned to the A season (Jan 1- June 10) and 40% is apportioned to the B season (Sept 1 - Dec 31). Incidental catch between the A and B seasons accrues to the B season TAC.
2006	GOA Pacific cod crab sideboards were implemented that limit the catch of 82 non-AFA vessels that qualified for initial allocations of <i>C. opilio</i> under the BSAI crab rationalization program. In addition, 137 vessels are prohibited from directed fishing for Pacific cod in the GOA.
2008	Amendment 80 sideboards implemented to limit groundfish catch of Am 80 trawl CPs in the GOA. Pacific cod sideboards are 2.2% of the Western GOA TAC and 4.0% of the Central GOA TAC.
2008	<u>BSAI/GOA Amendment 92/82</u> . Final action on trawl recency taken by the Council in April 2008. Reduces number of trawl CV licenses to 93 Central GOA licenses (from 176) and 76 WGOA licenses (from 160). Reduces the number of CP licenses to 21 Central GOA licenses (from 27) and 20 Western GOA licenses (from 26)

Incidental catch, when the directed groundfish fisheries are closed, is limited to a Maximum Retainable Amount (MRA). The MRA limits the amount of non-directed species catch that may be retained to a percent of directed species catch. For Pacific cod, the MRA with respect to all directed species, with the exception of arrowtooth flounder, is 20%. The MRA for Pacific cod in the directed arrowtooth flounder fishery in the GOA is 5%. Under the Improved Retention/Improved Utilization regulations, all Pacific cod catch must be retained when the cod fisheries are open for directed fishing. When the directed cod fishery is closed, all catch up to the MRA must be retained, and any Pacific cod caught in excess of the



MRA must be discarded.<sup>6</sup> There is no MRA for Pacific cod for catcher vessels participating in the Rockfish Pilot Program. Catcher vessels participating in the Rockfish Pilot Program receive an allocation of 2.09% of the Central GOA TAC. The MRA for Pacific cod is 4% for catcher processors participating in the Rockfish Pilot Program.

The directed fisheries for Pacific cod in State waters (0 nm to 3 nm) are open concurrently with the directed fisheries in Federal waters (3nm to 200 nm). These fisheries in State waters (referred to as the ‘parallel fisheries’) are prosecuted under the same rules as the Federal fisheries, with catch counted against the Federal TAC. In addition, beginning in 1997, the State of Alaska has undertaken its own Pacific cod fisheries inside of 3 nm (referred to as the ‘State waters fisheries’), which is allocated a portion of the Federal ABC.

## 2.2.2 Catch history

In both the Western and Central GOA, total catch as a percentage of the Federal TAC has generally declined, since the Pacific cod TAC was seasonally apportioned in 2001, although nearly 98% of the Central GOA TAC was harvested in 2008 (Table 2-4). In the Western GOA, less than 80% of the TAC was harvested from 2005 through 2008. The inshore and offshore TACs, and the A and B season apportionments, have not been utilized equally in the management areas. Inshore TACs have typically been fully harvested in the Central GOA, but in the Western GOA, only 68% to 77% of the inshore TAC was harvested from 2006 through 2008 (see Table 2-5).

**Table 2-4 Total catch (mt) of Pacific cod in the Pacific cod fisheries in the Western and Central GOA.**

Year	Western Gulf			Central Gulf		
	Total catch	Federal TAC	Percent of TAC harvested	Total catch	Federal TAC	Percent of TAC harvested
1995	22,516	20,100	112.0%	45,465	45,650	99.6%
1996	19,823	18,850	105.2%	47,589	42,900	110.9%
1997	23,949	24,225	98.9%	43,678	43,690	100.0%
1998	19,817	23,170	85.5%	41,424	41,720	99.3%
1999	23,158	23,630	98.0%	44,554	42,935	103.8%
2000	21,867	20,625	106.0%	32,188	34,080	94.4%
2001	14,161	18,300	77.4%	27,324	30,250	90.3%
2002	17,168	16,849	101.9%	25,057	24,790	101.1%
2003	16,235	15,450	105.1%	24,828	22,690	109.4%
2004	15,554	16,957	91.7%	27,350	27,116	100.9%
2005	12,408	15,687	79.1%	22,705	25,086	90.5%
2006	14,743	20,141	73.2%	23,029	28,405	81.1%
2007	13,407	20,141	66.6%	25,998	28,405	91.5%
2008	14,919	19,449	74.9%	27,763	28,426	97.7%

Source: NMFS Blend (1995-2002) and Catch Accounting (2003-2008) databases.

During recent years, a substantial proportion of the offshore TACs, in both management areas, have not been harvested. Inseason management has opened the offshore TACs concurrently with the inshore TACs, but has closed the offshore TACs when the BSAI Pacific cod A season fisheries have ended, to prevent the BSAI catcher processor fleet from directed fishing on the GOA offshore Pacific cod TACs. The reason for these closures is that the offshore TACs are relatively small and cannot support directed fishing by a large portion of the BSAI catcher processor fleet. In 2003, the offshore seasons were open to this fleet, and the Western GOA offshore A season TAC was overharvested (220%; see Table 2-6).

<sup>6</sup> Pacific cod catch is also retained in the halibut and sablefish IFQ program. Vessels fishing IFQ are required to retain Pacific cod, up to the MRA, except if Pacific cod is on prohibited retention (PSC) status.

The A and B season TACs are not utilized equally (see Table 2-6). The A season TAC, which is harvested when Pacific cod are aggregated and roe content peaks, is typically fully harvested. During recent years, A season catches have met or exceeded A season TACs, in both the Western and Central GOA. Incidental catch between the A and B seasons is substantial, particularly by the inshore sector in the Central GOA. Incidental catch made between the A and B season counts against the B season TAC. During recent years, B season TACs have not been fully harvested. During some years, the trawl and hook-and-line B seasons have ended before the TAC is fully harvested, when halibut PSC limits have been reached. During 2005 through 2007, the hook-and-line, pot, and jig gear B seasons remained open until December 31, but inclement weather conditions, high operating costs, and difficulty finding fish limited B season harvests, particularly in the Western GOA.

**Table 2-5 Pacific cod catch and percent of the TAC harvested in the inshore and offshore sectors**

Area	Year	TAC	Inshore		Offshore		
			Catch	Percent harvested	TAC	Catch	Percent harvested
Western Gulf	2001	16,470	12,461	75.7%	1,830	1,700	92.9%
	2002	15,164	15,541	102.5%	1,685	1,627	96.6%
	2003	13,905	14,029	100.9%	1,545	2,205	142.7%
	2004	15,261	14,274	93.5%	1,696	1,281	75.5%
	2005	14,118	11,978	84.8%	1,569	423	27.0%
	2006	18,127	13,648	75.3%	2,014	1,095	54.4%
	2007	18,127	12,265	67.7%	2,014	1,142	56.7%
	2008	17,504	13,452	76.9%	1,945	1,467	75.4%
Central Gulf	2001	27,255	25,255	92.7%	3,025	2,066	68.3%
	2002	22,311	22,665	101.6%	2,479	2,393	96.5%
	2003	20,421	22,601	110.7%	2,269	2,228	98.2%
	2004	24,404	25,533	104.6%	2,712	1,931	71.2%
	2005	22,577	22,234	98.5%	2,509	361	14.4%
	2006	25,565	21,609	84.5%	2,840	1,402	49.4%
	2007	25,565	24,860	97.2%	2,840	1,138	40.1%
	2008	25,583	26,518	103.7%	2,837	1,245	43.9%

Source: NMFS Catch Accounting (2003-2008) and Blend databases (2001-2002).

**Table 2-6 Pacific cod catch during the A and B seasons by the inshore and offshore sectors in the Western and Central GOA, 2003-2008**

**Western GOA**

Year	Inshore						Offshore					
	A season			B season			A season			B season		
	TAC	Catch	Percent harvested	TAC	Catch	Percent harvested	TAC	Catch	Percent harvested	TAC	Catch	Percent harvested
2003	8,343	10,057	120.5%	5,562	3,972	71.4%	927	2040	220.1%	618	165	26.7%
2004	9,157	10,536	115.1%	6,104	3,738	61.2%	1017	626	61.6%	679	655	96.5%
2005	8,471	10,298	121.6%	5,647	1,686	29.9%	941	123	13.1%	628	300	47.8%
2006	10,876	12,299	113.1%	7,251	1,349	18.6%	1208	666	55.1%	806	429	53.2%
2007	10,876	10,836	99.6%	7,251	1,430	19.7%	1208	643	53.2%	806	500	62.0%
2008	10,502	10,577	100.7%	7,002	2,875	41.1%	1,167	1,190	102.0%	778	277	35.6%

**Central GOA**

Year	Inshore						Offshore					
	A season			B season			A season			B season		
	TAC	Catch	Percent harvested	TAC	Catch	Percent harvested	TAC	Catch	Percent harvested	TAC	Catch	Percent harvested
2003	12,253	15,679	128.0%	8,168	6,922	84.7%	1,361	1,440	105.8%	788	908	115.2%
2004	14,643	15,673	107.0%	9,761	9,860	101.0%	1,627	1,347	82.8%	1,085	584	53.8%
2005	13,547	12,688	93.7%	9,660	9,660	100.0%	1,414	91	6.4%	1,003	270	26.9%
2006	15,339	15,529	101.2%	10,226	6,083	59.5%	1,679	25	1.5%	1,136	1,378	121.3%
2007	15,339	15,234	99.3%	10,226	9,626	94.1%	1,704	43	2.5%	1,136	1,096	96.5%
2008	15,350	15,827	103.1%	10,233	10,692	104.5%	1,706	1,133	66.4%	1,131	113	10.0%

Source: NMFS Annual Catch Reports, 2003-2008.

**2.2.3 Season lengths**

Short A season lengths are another indication that the GOA Pacific cod fisheries are fully subscribed. During recent years, the A season has closed approximately one month after the trawl gear opening on January 20 (see Table 2-7). In 2004, 2005, and 2009, the Central GOA inshore A seasons closed just 11 days, 6 days, and 7 days, respectively, after the trawl season opened on January 20.

**Table 2-7 Pacific cod A season closures for the Western and Central GOA, 2001-2009**

Year	Western Gulf					Central Gulf				
	Inshore			Offshore		Inshore			Offshore	
	Date	Reason	Date	Reason	Date	Reason	Date	Reason		
2001	27-Feb	TAC	24-May	TAC	4-Mar	TAC	25-May	TAC		
2002	26-Feb	TAC	9-Feb	TAC	9-Mar	TAC	25-Mar	TAC		
2003	17-Feb	TAC	20-Mar	TAC	9-Feb	TAC	1-Feb	TAC		
2004	24-Feb	TAC	8-Mar	TAC	31-Jan	TAC	2-Feb	TAC		
2005	24-Feb	TAC	22-Feb	TAC	26-Jan	TAC	22-Feb	TAC		
2006	2-Mar	TAC	19-Feb	TAC	28-Feb	TAC	19-Feb	TAC		
2007	8-Mar	TAC	14-Feb	TAC	27-Feb	TAC	14-Feb	TAC		
2008	29-Feb	TAC	4-Mar	TAC	1-Mar	TAC	9-Mar	TAC		
2009	25-Feb	TAC	10-Jun	REG	27-Jan	TAC	19-Feb	TAC		

Source: NMFS Alaska region season closures summary. HAL = halibut PSC closure. TAC = TAC reached. REG = Regulatory closure (June 10).

During some years, the B season has closed to hook-and-line and trawl gear before the TAC has been fully harvested (see Table 2-8). Both the trawl and hook-and-line sectors have worked with NMFS to better manage their B season halibut bycatch. The hook-and-line CP sector has been working with NMFS since 2006, to voluntarily manage B season halibut PSC through an informal halibut PSC cooperative.

Beginning in 2006, the trawl sector has extended its B season by working closely with NMFS inseason management to control halibut bycatch, with a series of short openings during the B season. Table 2-8 shows the final B season closure date, but does not show the multiple, short trawl season openings during 2006 through 2008. This approach has been successful in limiting halibut PSC and allowing the trawl season to stay open longer, and has increased Central GOA B season catches. In 2008, the Central GOA inshore B season Pacific cod fishery closed on October 3, when the TAC was fully harvested.

**Table 2-8 Pacific cod B season closures for the trawl and hook-and-line sectors in the Western and Central GOA, 2001-2008**

Area	Year	Inshore		Offshore		Inshore		Offshore	
		Date	Reason	Date	Reason	Date	Reason	Date	Reason
Western GOA	2001	21-Oct	HAL	21-Oct	HAL	4-Sep	HAL	4-Sep	HAL
	2002	13-Oct	HAL**	3-Oct	TAC**	23-Nov	TAC	3-Oct	TAC
	2003	12-Sep	HAL	not opened	TAC	25-Sep	TAC	not opened	TAC
	2004	10-Sep	HAL	10-Sep	HAL	2-Oct	HAL	2-Oct	HAL
	2005	4-Sep	HAL	4-Sep	HAL	31-Dec	REG	31-Dec	REG
	2006	8-Oct	HAL	8-Oct	HAL	31-Dec	REG	31-Dec	REG
	2007	1-Nov	SSL reg	1-Nov	SSL reg	31-Dec	REG	31-Dec	REG
	2008	1-Nov	SSL reg	1-Nov	SSL reg	16-Oct	HAL	16-Oct	HAL
Central GOA	2001	21-Oct	HAL	21-Oct	HAL	4-Sep	HAL	4-Sep	HAL
	2002	1-Sep	HAL**	8-Oct	TAC**	26-Sep	TAC	8-Oct	TAC
	2003	3-Sep	TAC	14-Oct	TAC	3-Sep	TAC	14-Oct	TAC
	2004	10-Sep	HAL	10-Sep	HAL	2-Oct	HAL	2-Oct	HAL
	2005	4-Sep	HAL	4-Sep	HAL	31-Dec	REG	31-Dec	REG
	2006	8-Oct	HAL	8-Oct	HAL	31-Dec	REG	31-Dec	REG
	2007	1-Nov	SSL reg	1-Nov	SSL reg	31-Dec	REG	31-Dec	REG
	2008	3-Oct	TAC	1-Nov	SSL reg	3-Oct	TAC	16-Oct	HAL

Source: NMFS Alaska region season closures summary. HAL = halibut PSC closure. TAC = TAC reached. REG = Regulatory closure (December 31).

\*The table shows the final B season closure date, and does not show the multiple openings of the trawl season.

## 2.2.4 Participation by fixed gear vessels and licenses

Pacific cod is the primary groundfish species targeted by the fixed gear sectors in the Western and Central GOA. During 2000 through 2008, Pacific cod comprised approximately 98% of retained groundfish harvests by vessels using fixed gear in the Western and Central GOA, excluding the IFQ halibut and sablefish fisheries. The number of vessels participating in a fishery is one measure of effort, although it does not capture variables such as the capacity of the fleet. Table 2-9 reports the number of fixed gear vessels that participated in the directed Pacific cod fisheries, from 2000 to 2008, in the Western and Central GOA, excluding vessels that only had incidental catch of Pacific cod in the IFQ fisheries. There have been notable increases in participation in the directed Pacific cod fisheries in the GOA during the past several years, particularly in 2007 and 2008. For example, in both the Western and Central GOA, participation by pot and hook-and-line catcher vessels <50 ft LOA and 50 ft to 60 ft LOA increased in 2007 and 2008. In the Central GOA, the number of ≥60 ft pot CVs participating in the directed Pacific cod fisheries increased during the past several years, after several years of low participation in 2002 to 2004. Pot CV and CP participation peaked in the GOA 2000, when the start of the BSAI *C. opilio* fishery was delayed due to ice. In the Western GOA, pot CV participation by vessels ≥60 ft LOA declined somewhat during the past several years. In 2006, sideboards went into effect that limit Pacific cod harvests by recipients of initial allocations of BSAI *C. opilio* crab quota. These sideboard provisions limit participation by some pot vessels that historically fished in the GOA. Specifically, the sideboards prohibit 137 vessels from directed fishing for GOA Pacific cod, and limit Pacific cod harvests by 82

additional vessels to a sideboard limit. In addition to these sideboarded vessels, 36<sup>7</sup> fixed gear groundfish LLP licenses are subject to the Pacific cod sideboards, and 11 licenses are prohibited from directed fishing for Pacific cod in the GOA. Participation by hook-and-line CPs fluctuated from 2000 to 2008. There was an increase in participation by the <125 ft hook-and-line CP sector in the Western GOA in the past several years. Finally, participation by jig vessels has also fluctuated. Most jig participants fished in parallel waters and do not hold fixed gear licenses.

**Table 2-9 Number of fixed gear vessels participating in the directed Pacific cod fisheries, excluding IFQ participants, from 2000-2008.**

**Western GOA**

Year	HAL CP <125	HAL CP ≥125	HAL CV <50	HAL CV 50-60	HAL CV ≥60	Jig CV	Pot CP	POT CV <50	POT CV 50-60	POT CV ≥60
2000	10	2	2	0	1	2	2	9	28	44
2001	9	2	2	2	1	16	3	9	22	10
2002	7	4	1	2	0	26	2	3	30	15
2003	6	8	1	0	1	11	1	3	39	17
2004	3	4	1	3	0	22	1	7	46	28
2005	2	3	8	7	0	8	1	5	34	19
2006	7	5	2	3	0	1	0	7	26	18
2007	7	3	8	5	1	4	1	5	25	18
2008	10	2	5	3	2	8	1	2	41	16

**Central GOA**

Year	HAL CP <125	HAL CP ≥125	HAL CV <50	HAL CV 50-60	HAL CV ≥60	Jig CV	Pot CP	POT CV <50	POT CV 50-60	POT CV ≥60
2000	3	0	117	26	5	16	4	15	40	59
2001	1	0	92	18	2	14	3	7	27	28
2002	0	4	58	14	2	7	3	8	20	17
2003	2	2	53	10	2	7	0	5	17	13
2004	1	2	47	13	6	30	0	6	16	13
2005	1	1	52	13	6	25	0	7	18	22
2006	2	4	47	15	6	24	0	9	27	23
2007	2	2	62	19	5	18	1	7	33	23
2008	4	3	64	26	6	12	0	9	29	20

Source: ADFG Fish Tickets and NMFS Catch Accounting/Blend, 2000-2008. Note: Excludes IFQ fisheries

Table 2-10 reports the number of unique vessels in each sector that participated in the directed Pacific cod fisheries during 2000 through 2008. These unique vessel counts may be compared with the number of vessels that participated annually, from 2000 to 2008, for some perspective on the frequency of new entrants into each sector. For example, there were 89 pot CVs <60 ft LOA that participated in the directed Pacific cod fishery from 2000 to 2008, and 55 of those vessels fished during 2000, indicating that 34 additional vessels have entered the <60 ft LOA pot sector since 2000. Participation in the jig sector has been even more variable. During 2000 through 2008, 84 different vessels fished using jig gear in the Central GOA, but the maximum number of participants in any one year was 30 vessels. Similarly, 248 hook-and-line vessels <60 ft LOA had catches in the Central GOA directed Pacific cod fisheries during 2000 through 2008, but only 60 to 143 vessels have fished during a given year, indicating that a large number of vessels participate during some, but not all years.

<sup>7</sup> The Council took final action in October 2008 to exempt 3 vessels and 3 licenses from the sideboards. Previously, 85 vessels and 39 fixed gear groundfish LLP licenses were subject to the sideboards.

**Table 2-10 Number of unique vessels in each sector that participated in the directed Pacific cod fisheries in the Western and Central GOA during 2000-2008. Excludes IFQ participants.**

Number unique vessels from 2000-2008	HAL CP <125	HAL CP ≥125	HAL: CV<50	HAL CV 50-60	HAL CV ≥60	Jig CV	Pot <50	Pot CV 50-60	Pot CV ≥60	Pot CP
Western Gulf	17	15	22	14	5	70	18	75	81	5
Central Gulf	12	8	188	60	16	84	27	62	78	7

**Table 2-11 Average annual catch (mt) per vessel by fixed gear vessels participating in the directed Pacific cod fisheries, excluding IFQ catch, from 2000-2008.**

**Western GOA**

Year	HAL CP <125	HAL CP ≥125	HAL CV <50	HAL CV 50-60	HAL CV ≥60	Jig CV	Pot CP	POT CV <50	POT CV 50-60	POT CV ≥60
2000	*	*	*	0	*	*	*	24	32	89
2001	*	*	*	*	*	10	346	38	45	82
2002	777	223	*	*	0	7	*	59	94	114
2003	445	184	*	0	*	4	*	108	146	204
2004	714	179	*	*	0	8	*	34	98	178
2005	*	*	24	8	0	6	*	52	47	237
2006	276	144	*	*	0	*	0	30	62	227
2007	381	120	19	*	*	0	*	61	81	128
2008	*	*	7	*	*	6	*	*	*	111

**Central GOA**

Year	HAL CP <125	HAL CP ≥125	HAL CV <50	HAL CV 50-60	HAL CV ≥60	Jig CV	Pot CP	POT CV <50	POT CV 50-60	POT CV ≥60
2000	69	0	36	62	119	2	227	30	93	132
2001	*	0	47	*	*	1	196	35	67	51
2002	0	406	*	80	*	0	44	13	73	98
2003	*	*	45	*	*	2	0	16	92	120
2004	*	*	79	69	108	4	0	18	149	186
2005	*	*	55	74	58	5	0	17	178	220
2006	*	*	77	112	125	4	0	21	142	192
2007	*	*	65	86	89	2	*	16	123	179
2008	145	337	47	86	91	2	0	7	93	123

Source: ADFG Fish Tickets and NMFS Catch Accounting/Blend, 2000-2008. Note: Excludes IFQ fisheries

Average annual catches (mt) per vessel in the GOA Pacific cod fisheries are reported in Table 2-11. In general, hook-and-line and pot CPs, and pot CVs ≥60 ft LOA have the highest average annual catches. Jig vessels have the lowest average annual catches (less than 10 mt per vessel). Annual catches per vessel depend on a number of variables, including Pacific cod TACs, conditions in the Pacific cod fishery, the number of vessels participating in the fishery, weather conditions, the timing of halibut PSC closures, and conditions in other fisheries. These variables make it difficult to describe trends in average annual catches. For example, average annual catches by hook-and-line vessels have varied, and do not show a clear trend. During some years, halibut PSC closures have limited hook-and-line catches during the B season. Conversely, during some years, the trawl B season has closed early due to halibut PSC limits, and the fixed gear sectors have had the opportunity to catch more of the TAC. Average annual catches have declined in several sectors. For example, in the Central GOA, annual catches by pot CVs ≥60 ft LOA, declined from 220 mt per vessel in 2005, to 123 mt per vessel in 2008. Catches by 50 ft to 60 ft LOA pot CVs declined by nearly half, from 178 mt in 2005, to 93 mt in 2008. In the Western GOA, annual catches by pot CVs ≥60 ft LOA declined from 237 mt per vessel in 2005, to 111 mt per vessel in 2008.

**Table 2-12 Number of fixed gear CV licenses and catch (mt) per license from 2000-2008 in the directed Pacific cod fisheries. Excludes IFQ participants.**

**Western GOA**

Year	All gear types		Hook-and-line		Jig		Pot	
	Number of licenses*	Catch (mt) per license	Number of licenses*	Catch (mt) per license	Number of licenses*	Catch (mt) per license	Number of licenses*	Catch (mt) per license
2000	47	55	1	*	1	*	46	56
2001	33	*	1	*	0	0	33	56
2002	35	*	1	*	5	9	31	105
2003	48	162	1	*	2	*	45	172
2004	64	133	0	0	6	10	59	143
2005	50	*	3	8	1	*	46	112
2006	39	*	2	*	0	0	37	108
2007	41	94	6	33	0	0	35	104
2008	55	99	7	70	4	2	47	105

**Central GOA**

Year	All gear types		Hook-and-line		Jig		Pot	
	Number of licenses*	Catch (mt) per license	Number of licenses*	Catch (mt) per license	Number of licenses*	Catch (mt) per license	Number of licenses*	Catch (mt) per license
2000	195	76	109	51	4	2	85	110
2001	147	60	89	59	4	1	56	63
2002	111	89	68	100	3	0	41	76
2003	99	66	66	51	3	3	31	100
2004	106	101	69	82	8	2	35	143
2005	120	107	73	63	6	6	44	186
2006	118	123	66	102	7	6	50	155
2007	154	98	93	76	6	4	60	133
2008	157	75	100	63	4	2	56	97

Source: ADFG Fish Tickets and RAM groundfish license file, December 2008

\* License counts do not necessarily correspond to vessel counts in Table 3-9. License counts include vessels with stacked licenses (i.e., 2 or more licenses assigned to a single vessel) and vessels that used more than one gear type. Vessel counts include vessels participating in the parallel fisheries without an LLP.

Trends in the numbers of Western and Central GOA fixed gear CV licenses participating in the directed Pacific cod fisheries are reported in Table 2-12. In 2000, the number of fixed gear licenses participating in the Central and Western GOA was particularly high, because of the late start of the *C. opilio* season, described earlier. In the Central GOA, the number of licenses participating in the directed Pacific cod fishery dropped to 99 in 2003, climbed to 118 in 2006, then increased substantially to 154 licenses in 2007, and 157 licenses in 2008. In the Western GOA, fixed gear CV license participation in the directed Pacific cod fishery ranged from 33 to 64 licenses from 2000 to 2008. In 2008, 55 Western GOA CV licenses participated in the fishery. Table 2-12 also breaks down license participation into the different gear groups. In the Western GOA, pot CV license participation fluctuates on an annual basis, and there has not been a clear trend in participation. Hook-and-line CV participation increased to 7 licenses in 2008. In the Central GOA, hook-and-line license participation increased to 100 licenses in 2008, and pot participation increased to 60 licenses in 2007, and 56 licenses in 2008. Catch (mt) per license in both sectors decreased in 2008. Catch per license for Central GOA pot CVs was only 97 mt in 2008; pot CV catches had not dropped below 100 mt per license since 2002.

Trends in the number of Western and Central GOA fixed gear CP licenses participating in the directed cod fisheries are reported in Table 2-13. In both the Western and Central GOA, the number of CP licenses participating with hook-and-line gear increased in 2006, 2007, 2008, to levels higher than previous years. Pot CP participation has remained fairly stable, with 1 to 3 licenses participating in each management area. Catch (mt) per hook-and-line CP license, in both management areas, was substantially lower in 2005 through 2008, than during previous years. Halibut PSC closures in 2005 (for the BSAI

hook-and-line CP fleet only) and 2008 (for all hook-and-line vessels) resulted in shortened B seasons. Participation was also higher in 2006 through 2008. There were not sufficient numbers of CP licenses participating with pot gear in most years to report catch per license, owing to confidentiality requirements.

**Table 2-13 Number of fixed gear CP licenses and catch (mt) per license from 2000-2008 in the directed Pacific cod fisheries. Excludes IFQ participants.**

<b>Western GOA</b>						
Year	All gear types		Hook-and-line		Pot	
	Number of licenses*	Catch (mt) per license	Number of licenses*	Catch (mt) per license	Number of licenses*	Catch (mt) per license
2000	8	446	8	446	0	0
2001	8	*	7	503	2	*
2002	6	*	5	871	1	*
2003	11	*	9	362	2	*
2004	9	*	7	408	2	*
2005	6	*	4	169	2	*
2006	12	*	11	220	1	*
2007	12	*	10	277	2	*
2008	14	*	12	254	2	*
<b>Central GOA</b>						
Year	All gear types		Hook-and-line		Pot	
	Number of licenses*	Catch (mt) per license	Number of licenses*	Catch (mt) per license	Number of licenses*	Catch (mt) per license
2000	4	133	2	*	2	*
2001	3	*	1	*	3	139
2002	4	*	3	369	1	*
2003	2	*	2	*	0	0
2004	3	347	3	347	0	0
2005	3	140	3	140	0	0
2006	9	*	7	145	2	*
2007	8	266	5	260	3	276
2008	10	*	9	195	1	*

Source: NMFS Catch Accounting/Blend and RAM groundfish license file, December 2008

License counts do not necessarily correspond to vessel counts in Table 3-9. License counts include vessels operating as CVs using CP licenses and vessels operating with stacked licenses (i.e., 2 or more licenses assigned to a single vessel). In Table 3-9, vessel counts include vessels participating in the parallel waters fisheries without an LLP license. Licenses may have used more than one gear type.

## 2.2.5 Revenues in the GOA Pacific cod fisheries

Ex-vessel prices in the GOA Pacific cod fisheries increased substantially in 2007 and 2008 (Table 2-14). Gross revenues for all catcher vessel landings of GOA Pacific cod totaled \$41.9 million in 2008, an 18% increase from 2007 (Table 2-15). In 2009, poor market conditions worldwide resulted in price declines. Participants reported that ex-vessel prices during the 2009 A season ranged from \$.30 per pound to \$.33 per pound in the GOA. Extensive information on economic conditions in the GOA Pacific cod fisheries can be found in the Economic SAFE Report (Hiatt et al., 2008).



**Table 2-14 Ex-vessel prices (dollars) per pound in the GOA Pacific cod fisheries**

Year	Hook-and-line	Jig	Pot	Trawl
2001	0.33	0.28	0.27	0.25
2002	0.29	0.23	0.23	0.21
2003	0.33	0.29	0.28	0.29
2004	0.30	0.28	0.25	0.25
2005	0.31	0.31	0.30	0.27
2006	0.41	0.44	0.40	0.36
2007	0.51	0.53	0.50	0.46
2008	0.60	0.59	0.58	0.51

Source: ADFG Fish Tickets and CFEC gross revenues data.

**Table 2-15 Ex-vessel gross revenues from the GOA Pacific cod fisheries (millions of dollars)**

Year	Hook-and-line	Jig	Pot	Trawl	Total
2001	\$4,203,992	\$105,686	\$3,655,640	\$11,818,193	\$19,783,511
2002	\$4,400,832	\$99,775	\$4,014,132	\$7,177,933	\$15,692,672
2003	\$2,662,558	\$38,996	\$7,732,846	\$9,975,817	\$20,410,216
2004	\$3,636,106	\$182,985	\$8,221,096	\$8,416,899	\$20,457,086
2005	\$3,170,261	\$123,581	\$9,667,534	\$7,647,345	\$20,608,720
2006	\$5,725,479	\$104,673	\$12,553,735	\$8,672,843	\$27,056,729
2007	\$7,588,467	\$45,011	\$14,115,307	\$12,777,548	\$34,526,332
2008	\$9,108,183	\$103,738	\$14,236,307	\$18,432,585	\$41,880,812

Source: ADFG Fish Tickets and CFEC gross revenues data.

**Table 2-16 First wholesale price (dollars per pound) of Pacific cod products by processing sector.**

Year	Whole fish		Head & gut		Fillet		Other products		All products	
	At-sea	Shoreside	At-sea	Shoreside	At-sea	Shoreside	At-sea	Shoreside	At-sea	Shoreside
2001	0.46	0.51	1.09	0.87	1.49	1.86	1.39	1.04	1.11	1.24
2002	0.29	0.41	0.97	0.99	1.58	2.28	1.03	0.79	0.98	1.31
2003	0.41	0.56	1.13	0.97	2.29	2.18	0.89	0.56	1.14	1.29
2004	0.43	0.54	1.09	1.04	2.20	2.13	1.02	0.80	1.09	1.26
2005	0.56	0.58	1.29	1.50	2.07	2.72	1.32	0.81	1.29	1.65
2006	0.65	0.79	1.67	1.38	3.35	3.12	1.21	0.94	1.66	1.76
2007	0.66	0.92	1.86	1.64	2.74	3.63	1.30	0.96	1.84	1.81

**Table 2-17 Products produced from Pacific cod harvested in the GOA (thousands of mt).**

Year	Whole fish		Head & gut		Fillet		Other products		Total
	Mt	Percentage	Mt	Percentage	Mt	Percentage	Mt	Percentage	Mt
2001	1.8	8.5%	9.0	42.8%	6.0	28.6%	4.3	20.2%	21.1
2002	1.1	5.0%	7.1	33.8%	6.7	32.0%	6.1	29.2%	21.0
2003	2.2	10.2%	4.4	20.6%	8.6	40.2%	6.2	29.0%	21.4
2004	0.8	3.5%	10.3	45.3%	6.5	28.8%	5.1	22.3%	22.6
2005	0.9	4.9%	6.4	35.1%	5.9	32.4%	5.0	27.6%	18.2
2006	0.6	2.5%	7.5	33.3%	8.1	36.1%	6.3	28.0%	22.5
2007	1.0	4.4%	10.0	44.2%	6.0	26.5%	5.6	24.8%	22.6

Source: 2007 Economic SAFE (Hiatt et al., 2008).

First wholesale prices for Pacific cod products increased substantially in 2006 and 2007 (Table 2-16). The “all products” price is a weighted average of the prices for all product forms produced from Pacific cod. Table 2-17 shows the product mix from Pacific cod harvested in the GOA, and includes production by both at-sea processors and shore-based plants. Catcher processors produce eastern and western cut

headed and gutted products and several ancillary products. Shore-based processors produce fillets and headed and gutted products, along with a wide variety of ancillary products. Headed and gutted fish comprised the majority of products for at-sea processors, while fillets made up a larger fraction of the product mix for shore-based processors (Hiatt et al., 2008).

Gross revenues for catcher vessels that participated in the GOA Pacific cod fisheries are summarized in Table 2-18. Revenues are reported, based on the sector in which a vessel participated in the Pacific cod fishery. Table 2-18 also reports each sector's economic dependence on the GOA Pacific cod fisheries, relative to its dependence on other Alaska fisheries. Pot vessels that did not qualify for BSAI crab allocations earned the highest percentage of revenues from the parallel and Federal GOA Pacific cod fisheries (19.7% of revenues), and the State GOA Pacific cod fisheries (11.5%); IFQ halibut accounted for 25.1% of gross revenues. Crab-qualified pot CVs earned 14.6% of revenues from GOA Pacific cod, and 65.3% of revenues from shellfish. Hook-and-line CVs earned 8.4% of revenues from GOA Pacific cod, and 58% from halibut IFQ. Finally, jig vessels earned only 6.5% of gross revenues from the GOA Pacific cod fisheries, but also earned an additional 19.3% of revenues from the State GOA Pacific cod fisheries; salmon accounted for 43.3% of revenues by jig vessels.

First wholesale revenues for catcher processors that participated in the GOA Pacific cod fisheries are summarized in Table 2-19. Hook-and-line catcher processors earned the majority of revenues from the BSAI Pacific cod fishery (78.0%). GOA Pacific cod and sablefish comprised 8.6% and 8.0%, respectively, of first wholesale revenues for hook-and-line catcher processors. Relatively few pot catcher processors participate in the GOA Pacific cod fisheries. During 2001 through 2007, those pot CPs that participated in the GOA Pacific cod fisheries earned the majority of first wholesale revenues from GOA Pacific cod (58.4%), and BSAI Pacific cod (40.7%).

Annual gross revenues per CV license are reported in Table 2-20. Annual revenues have generally increased in both the Western and Central GOA, as the price of Pacific cod has increased. Table 2-20 also reports revenues that licenses earned in the Western or Central GOA Pacific cod fisheries, as a percentage of revenues from all commercial fisheries in and off Alaska, including groundfish, halibut, shellfish, salmon, and herring. Revenues from the Western GOA Pacific cod fishery comprised a fairly consistent percentage of total annual revenues for Western GOA licenses (11% to 22%). Central GOA licenses earned 14% to 18% of annual fisheries revenues from the Central GOA cod fishery. Table 2-20 also reports gross revenues per CV license by gear type. Licenses that used pot gear had the highest annual revenues per license in 2007 (\$149,305 in the CGOA and \$108,295 in the WGOA). These figures only include revenues from the directed Pacific cod fishery in that management area. In 2007, licenses with hook-and-line catch earned approximately \$85,000 per license in the CGOA and \$34,000 per license in the Western GOA, and licenses with jig catch generally had annual revenues of less than \$5,000 per license.

Table 2-21 reports first wholesale revenues per fixed gear CP license. Licenses with hook-and-line CP landings in the Western GOA earned \$215,000 per license in 2005, and more than \$900,000 per license in 2002. In the Central GOA, revenues per hook-and-line CP license ranged from just over \$100,000 per license, to nearly \$500,000 per license in 2007. In both management areas, revenues from the GOA Pacific cod fisheries comprised 5%, to more than 20%, of revenues in all groundfish fisheries in and off Alaska.

**Table 2-18 Participation, catch (mt), revenues, and the percentage of gross revenues from GOA Pacific cod and other fisheries off Alaska by catcher vessels that participated in the GOA directed Pacific cod fisheries, averaged from 2001-2007.**

Sector	Fishery	Vessels	Tons	Revenues	Percent of revenues
Hook-and-line CV	<b>GOA Pacific Cod</b>	<b>132</b>	<b>5,564</b>	<b>\$4,422,751</b>	<b>8.4%</b>
	State GOA Pacific Cod	24	1,006	\$815,727	1.5%
	BSAI Other Groundfish	13	961	\$1,416,293	2.7%
	BSAI Pacific Cod	17	1,040	\$815,479	1.5%
	GOA Other Groundfish	69	3,933	\$1,209,310	2.3%
	IFQ Halibut	105	4,630	\$30,578,179	58.0%
	IFQ Sablefish	54	1,498	\$7,295,575	13.8%
	Other	62	472	\$247,664	0.5%
	Salmon	62	5,025	\$3,517,411	6.7%
	Shellfish	20	508	\$2,410,427	4.6%
	<b>Total</b>	<b>569</b>	<b>24,636</b>	<b>\$52,728,815</b>	<b>100.0%</b>
Jig CV	<b>GOA Pacific Cod</b>	<b>28</b>	<b>149</b>	<b>\$99,019</b>	<b>6.5%</b>
	State GOA Pacific Cod	21	425	\$292,917	19.3%
	BSAI Other Groundfish	1	*	*	*
	BSAI Pacific Cod	3	*	*	*
	GOA Other Groundfish	6	7	\$3,305	0.2%
	IFQ Halibut	6	65	\$346,984	22.9%
	IFQ Sablefish	1	*	*	*
	Other	10	60	\$38,358	2.5%
	Salmon	13	1,115	\$655,908	43.3%
	Shellfish	4	12	\$57,595	3.8%
	<b>Total</b>	<b>100</b>	<b>1,860</b>	<b>\$1,516,116</b>	<b>100.0%</b>
Crab qualified Pot CV	<b>GOA Pacific Cod</b>	<b>13</b>	<b>2,285</b>	<b>\$1,634,973</b>	<b>14.6%</b>
	State GOA Pacific Cod	2	*	*	*
	BSAI Other Groundfish	8	30	\$81,569	0.7%
	BSAI Pacific Cod	8	1,856	\$1,363,502	12.2%
	GOA Other Groundfish	4	2	\$501	0.0%
	IFQ Halibut	2	*	*	*
	IFQ Sablefish	1	*	*	*
	Other	8	12	\$13,542	0.1%
	Salmon	1	*	*	*
	Shellfish	12	1,285	\$7,299,936	65.3%
	<b>Total</b>	<b>56</b>	<b>5,714</b>	<b>\$11,176,266</b>	<b>100.0%</b>
Non Crab qualified Pot CV	<b>GOA Pacific Cod</b>	<b>87</b>	<b>9,583</b>	<b>\$6,913,255</b>	<b>19.7%</b>
	State GOA Pacific Cod	62	5,973	\$4,047,893	11.5%
	BSAI Other Groundfish	8	443	\$421,760	1.2%
	BSAI Pacific Cod	13	2,476	\$1,603,858	4.6%
	GOA Other Groundfish	35	6,673	\$1,577,411	4.5%
	IFQ Halibut	36	1,431	\$8,823,240	25.1%
	IFQ Sablefish	11	330	\$1,555,630	4.4%
	Other	54	1,570	\$608,213	1.7%
	Salmon	37	11,967	\$5,219,824	14.9%
	Shellfish	30	787	\$4,356,802	12.4%
	<b>Total</b>	<b>382</b>	<b>41,233</b>	<b>\$35,127,885</b>	<b>100.0%</b>

Source: ADFG fish tickets and CFEC gross revenues data, 2001-2007

**Table 2-19 Participation, catch (mt), revenues, and the percentage of gross revenues from GOA Pacific cod and other fisheries off Alaska by catcher processors that participated in the GOA directed Pacific cod fisheries, averaged from 2001-2007.**

Gear	Area	Fishery	Total number of unique vessels (2001-2007)	Average annual catch (mt)	Average annual revenues	Percent of revenues
Hook-and-line	BSAI	Atka Mackerel	10	1	\$827	0.0%
		Flatfish	33	1,291	\$911,601	1.3%
		Other Species	33	1,302	\$511,222	0.7%
		Pacific Cod	37	39,539	\$53,703,579	78.0%
		Pollock	37	1,280	\$1,038,120	1.5%
		Rockfish	32	59	\$47,490	0.1%
		Sablefish	24	187	\$976,648	1.4%
	BSAI Total			43,659	\$57,189,487	83.1%
	GOA	Atka Mackerel	3	0	\$374	0.0%
		Flatfish	24	50	\$56,112	0.1%
		Other Species	27	115	\$66,938	0.1%
		Pacific Cod	36	4,514	\$5,918,371	8.6%
		Pollock	29	19	\$7,964	0.0%
		Rockfish	27	133	\$117,837	0.2%
GOA Total			5,974	\$11,661,121	16.9%	
HAL Total			49,633	\$68,850,608	100.0%	
Pot	BSAI	Atka Mackerel	1	*	*	0.0%
		Flatfish	1	*	*	0.1%
		Other Species	4	1	\$526	0.0%
		Pacific Cod	6	515	\$594,218	40.7%
		Pollock	4	3	\$2,229	0.2%
	Sablefish	2	*	*	0.3%	
	BSAI Total			*	\$603,132	41.3%
	GOA	Atka Mackerel	2	*	*	0.0%
		Other Species	6	5	\$3,659	0.3%
		Pacific Cod	8	657	\$852,861	58.4%
Pollock		1	*	*	0.0%	
Rockfish	2	*	*	0.0%		
GOA Total			2,828	\$856,619	58.7%	
POT Total			4,274	\$1,459,750	100.0%	

Source:

Retained catch data from Catch Accounting/Blend database, 2001-2007. First wholesale price per ton from Economic SAFE (Hiatt, 2008). \*Withheld for confidentiality. \*\*Not all vessels fished during all years from 2001-2007.

**2-20 Gross revenues per CV license in the GOA Pacific cod fisheries, 2000-2008.**

<b>Western GOA</b>									
All gear types				Hook-and-line		Jig		Pot	
Year	Number of licenses	Annual revenues per license	Percent of annual revenues from WG Pcod	Number of licenses	Annual revenues per license	Number of licenses	Annual revenues per license	Number of licenses	Annual revenues per license
2000	47	*	*	1	*	0	\$0	46	\$37,090
2001	33	*	*	1	*	0	\$0	33	\$30,404
2002	35	\$44,197	14.7%	1	*	5	*	31	\$49,187
2003	48	\$92,385	21.8%	1	*	2	*	45	\$98,209
2004	64	\$70,092	15.2%	0	\$0	6	\$5,283	59	\$75,495
2005	50	\$61,950	10.7%	3	*	1	*	46	\$66,923
2006	39	*	*	2	*	0	\$0	37	\$90,545
2007	41	\$97,514	11.4%	6	\$34,626	0	\$0	35	\$108,295
2008	55	n/a	n/a	7	n/a	0	n/a	47	n/a

<b>Central GOA</b>									
All gear types				Hook-and-line		Jig		Pot	
Year	Number of licenses	Annual revenues per license	Percent of annual revenues from CG Pcod	Number of licenses	Annual revenues per license	Number of licenses	Annual revenues per license	Number of licenses	Annual revenues per license
2000	195	\$62,210	17.7%	109	\$45,113	4	\$1,668	85	\$84,789
2001	147	\$41,896	14.0%	89	\$43,570	4	\$722	56	\$40,680
2002	111	*	*	68	\$63,837	3	*	41	*
2003	99	*	*	66	\$37,900	3	*	31	*
2004	106	\$65,429	15.2%	69	\$54,672	8	\$1,303	35	\$90,076
2005	120	\$75,829	16.0%	73	\$44,256	6	\$4,455	44	\$132,775
2006	118	\$110,138	17.5%	66	\$91,879	7	\$5,400	50	\$137,889
2007	154	\$109,758	16.5%	93	\$85,155	6	\$4,168	60	\$149,305
2008	157	n/a	n/a	100	n/a	4	n/a	56	n/a

Source: ADFG Fish Tickets, CFEC gross revenues data, and RAM groundfish license file.

**Table 2-21 First wholesale revenues per CP license in the GOA Pacific cod fisheries, 2000-2008.**

<b>Western GOA</b>							
Year	All gear types			Hook-and-line		Pot	
	Number of licenses	Revenues per license	Percent of revenues from WG Pcod	Number of licenses	Revenues per license	Number of licenses	Revenues per license
2000	8	\$565,077	17.0%	8	\$565,077	0	\$0
2001	8	*	19.0%	7	\$602,040	2	*
2002	6	*	23.8%	5	\$911,895	1	*
2003	11	*	11.4%	9	\$423,330	2	*
2004	9	*	11.6%	7	\$490,861	2	*
2005	6	*	5.1%	4	\$215,126	2	*
2006	12	*	6.9%	11	\$371,981	1	*
2007	12	*	10.6%	10	\$543,162	2	*
2008	14	n/a	n/a	12	n/a	2	n/a

<b>Central GOA</b>							
Year	All gear types			Hook-and-line		Pot	
	Number of licenses	Revenues per license	Percent of revenues from CG Pcod	Number of licenses	Revenues per license	Number of licenses	Revenues per license
2000	4	\$168,608	20.5%	2	*	2	*
2001	3	*	5.4%	1	*	2	*
2002	4	*	11.6%	3	\$386,836	1	*
2003	2	*	24.1%	2	*	0	\$0
2004	3	\$346,793	22.8%	3	\$346,793	0	\$0
2005	3	\$102,634	6.5%	3	\$102,634	0	\$0
2006	9	*	4.9%	7	\$215,044	2	*
2007	8	\$392,367	13.1%	5	\$494,355	3	\$222,388
2008	10	n/a	n/a	9	n/a	1	n/a

Source: NMFS Blend/Catch Accounting, RAM groundfish license file (Dec 2008), and Hiatt et al (2007).

## 2.3 Analysis of the Alternatives, Components, and Options

This section provides an overview of the expected effects of the proposed action to add gear-specific Pacific cod endorsements to Western and Central GOA fixed gear groundfish licenses. The tables show the number of fixed gear groundfish licenses that will be eligible to participate in the directed Pacific cod fisheries in Western and Central GOA, under the various components and options. Following this overview is a discussion of the potential economic and socioeconomic effects, which may occur as a result of the proposed action. Finally, effects on harvesters, processors, and communities are analyzed, followed by a description of the cumulative effects of the proposed amendment and other recent actions, and an analysis of the net benefits to the Nation.

## 2.4 Alternative 1 – No Action

Under the no action alternative, gear-specific Pacific cod endorsements would not be added to Western and Central GOA fixed gear groundfish licenses. As a result, there would be no reduction in the number of fixed gear groundfish licenses eligible to participate in the directed Pacific cod fisheries in the Western and Central GOA. If this alternative is selected, fixed gear licenses that have not participated in the Western and Central GOA Pacific cod fisheries in recent years could enter the fisheries in the future and dilute revenues, increase costs, or both, for licenses with recent participation in the fisheries. Increased participation may result in negative economic impacts to current participants in the fisheries. The number of licenses that might enter the fisheries in the absence of this action is unknown, and depends on future

market conditions, the size of Pacific cod TACs, opportunities to participate in other fisheries, the future regulatory environment, and operating costs in the fisheries. Consequently, this analysis does not provide a quantitative estimate of the potential economic impacts of the no action alternative.

### Current number of fixed gear groundfish licenses

The number of fixed gear licenses with Western and Central GOA endorsements is reported by operation type and maximum length overall (MLOA) in Table 2-22. The table also indicates the number of licenses that have other area endorsements, in addition to a Western or Central GOA endorsement. There are 883 fixed gear catcher vessel licenses with Central GOA endorsements and 264 fixed gear catcher vessel licenses with Western GOA endorsements. Most of these licenses may only be used on vessels less than 60 feet LOA. Fewer than 25% of catcher vessel licenses with Central GOA endorsements also have BS, AI, or Western GOA endorsements. In contrast, more than half of catcher vessel licenses with Western GOA endorsements also have BS, AI, or Central GOA endorsements. There are 49 Central GOA and 31 Western GOA CP licenses, and the majority of these licenses also carry BS or AI endorsements. Only a small number of catcher processor licenses are restricted for use on vessels less than 60 feet LOA. This is the universe of fixed gear licenses that would continue to have access to the directed Pacific cod fisheries in the Western and Central GOA in the absence of the proposed amendment.

**Table 2-22 Number of GOA fixed gear LLP licenses with each area endorsement, operation type, MLOA, and gear designation.**

	Number of endorsements		Licenses that also have an endorsement (or designation) for:					
	All licenses	Licenses with MLOA <60 feet	Central Gulf	Western Gulf	Aleutian Islands	Bering Sea	Southeast Outside	Trawl
Central Gulf CV	883	702	--	175	61	159	178	114
Central Gulf CP	49	5	--	27	41	45	5	8
Western Gulf CV	264	154	175	--	62	157	42	78
Western Gulf CP	31	1	27	--	30	31	3	4

Source: NMFS RAM groundfish license file, December 2008.

## 2.5 Alternative 2 – Add Pacific cod endorsements to licenses

This section describes the impacts of the proposed action on the universe of fixed gear licenses that are currently eligible to participate in the directed Pacific cod fisheries in Federal waters of the Western and Central GOA. The proposed action would add gear-specific Pacific cod endorsements to fixed gear licenses. Licenses would be required carry a Pacific cod endorsement, in addition to the appropriate area endorsement, to participate in the directed Pacific cod fisheries in Federal waters of the Western and Central GOA. The action would result in an amendment to the GOA Groundfish Fisheries Management Plan (FMP).

The tables in this section show the number of fixed gear licenses that meet the various landings and catch thresholds, based on catch in the aggregate from 2000 through 2006 and 2002 through 2006, and also show the number of additional licenses that meet the thresholds, if the qualifying period includes catch from 2007 through June 4, 2008 or through December 8, 2008. Under Component 3, a provision states that either Suboption 1 (2007-Jun 4, 2008) or Suboption 2 (2007-Dec 8, 2008) will be selected in addition to Option 1 (2000-2006) or Option 2 (2002-2006). If Suboption 3 is also selected, any license that qualifies for a Pacific cod endorsement only when catch during 2007 and 2008 is included, would receive a nontransferable Pacific cod endorsement. The endorsement would be extinguished, if the license is subsequently transferred to another vessel or owner.

### **Component 3**

Option 1: 2000-2006

Option 2: 2002-2006

Option 3: Add the qualifying period January 1, 2007 through:

Suboption 1: June 4, 2008

Suboption 2: December 8, 2008

- Either of these suboptions will be selected in addition to one of the qualifying periods in Option 1 or Option 2.

Suboption 3: If an LLP license qualifies only when the supplemental range of years in Suboption 1 or Suboption 2 is included, any Pacific cod endorsements granted to licenses under these suboptions would be extinguished upon transfer of the LLP license to another vessel or owner.

Licenses will be credited with retained catch of Pacific cod from the directed Pacific cod fisheries in the Federal and parallel waters fisheries. Landings must be made with fixed gear (pot, hook-and-line, or jig) in the endorsement area. Catch in the IFQ and State waters fisheries is excluded. Note that licenses with Central GOA endorsements are also credited with landings in the West Yakutat management area, because under the LLP, the Central GOA endorsement authorizes licenses to fish in Federal waters of West Yakutat. Each table shows the number of licenses that would qualify under the two options in

### **Component 4:**

Option 1 – 1, 3, or 5 landings of Pacific cod from the directed Pacific cod fishery

Option 2 – 5 mt, 10 mt, 25 mt, or 100 mt of Pacific cod from the directed Pacific cod fishery

Licenses that meet a landings threshold of 1, 3, or 5 landings; or a catch threshold of 5 mt, 10 mt, 25 mt, or 100 mt, in the respective management area, using the appropriate gear type, would receive a gear-specific Pacific cod endorsement. Directed Pacific cod catch is defined as landings made when the directed Pacific cod fisheries are open. Licenses are credited with landings made up to 7 days after the directed season closes in order to allow time for deliveries to be made or processing activity to be reported.

## **2.5.1 Years included in catch history**

The Limited License Program was implemented in 2000 and, during the first two years of the program, persons participating in the GOA groundfish fisheries were required to hold LLP licenses, but RAM did not require a vessel to be formally assigned to each license. Consequently, the official record of license use is incomplete during 2000 through 2001. For the purposes of this analysis, catch during 2000 through 2001 was assigned to both the original qualifying vessel and current vessel, in cases where the license was transferred to a different vessel during this period. The rationale for this approach was that both vessels that held the license may have had catch history during this time. Double counting catch on these licenses during 2000 through 2001 may have resulted in more licenses appearing to meet the catch thresholds. For this reason, the Council should consider the data presented in the tables to be an estimate of the actual number of qualifying licenses.

If the qualifying period includes 2000 through 2001, NMFS may need to rely on alternative forms of documentation, such as individual affidavits or private contracts, to document catch history on licenses that were transferred during this period. Use of these forms of documentation is also likely to make the action more difficult to implement. Excluding 2000 and 2001 from the qualification period would simplify implementation of the action. Beginning in 2002, licenses were required to be formally assigned to a vessel in order to participate in LLP fisheries, and a complete record of license transfers exists. The transfer data were used to assign catch from each vessel to all licenses assigned to the vessel from 2002 to



the present. Table 2-23 summarizes the number of licenses that have been transferred from the original qualifying vessel.

**Table 2-23 Number of GOA fixed gear licenses no longer assigned to the original qualifying vessel.**

Area endorsement	Operation designation	Number of licenses	Number of licenses not on original vessel
Central Gulf	Catcher vessel	883	236
	Catcher processor	49	10
Western Gulf	Catcher vessel	264	87
	Catcher processor	31	7

Source: RAM groundfish LLP license file, December 2008

## 2.5.2 Definition of qualifying catch

Qualifying catch includes retained catch of Pacific cod from the directed Pacific cod fisheries in parallel and Federal waters, and excludes incidental catch of Pacific cod in the IFQ fisheries and State waters catch. The rationale for excluding incidental catch from the IFQ halibut and sablefish fisheries is that these fisheries are exempt from the LLP requirement. Incidental catch of Pacific cod (as well as other LLP groundfish species) in the IFQ fisheries may be retained without an LLP license. This exemption was included in the LLP to minimize discards, and is consistent with National Standard 9 of the Magnuson-Stevens Act. Similarly, the rationale for excluding State waters catch is that participants in these fisheries are not required to hold an LLP license.

Catch thresholds are based on retained catch of Pacific cod from the directed fishery. Retained catch is likely a better indicator of dependence than total catch, because discards provide no direct economic return. Also, retained catch can be estimated more precisely, because discards by catcher vessels are typically extrapolated from observer estimates of at-sea discards. Currently, these definitions of qualifying catch do not exclude catch used for meal production. Data provided in the draft preliminary review EA/RIR/IRFA for the GOA Pacific cod sector allocations indicated that catcher processors in the GOA did not produce meal from Pacific cod during 1995 through 2006, and typically less than 1% of Pacific cod harvests by catcher vessels are used for meal production. The Council has excluded catch destined for meal production from some allocation programs, based on the rationale that meal is a relatively low value product and its inclusion could disadvantage some small catcher processors that do not have meal production capacity. This was not an issue in the GOA, and the Council elected to include Pacific cod catch destined for meal production as qualifying catch for the purposes of the proposed GOA Pacific cod sector allocations and this action.

## 2.5.3 Catcher vessel licenses

The number of fixed gear catcher vessel licenses that meet each of the landings and catch thresholds is reported in Table 2-24. The number of licenses that qualify for a Pacific cod endorsement depends on the catch definition, landings or catch threshold, and qualification period selected. There are currently 264 Western GOA fixed gear licenses, and between 54 and 110 of these licenses appear to meet the various thresholds and may qualify for a Pacific cod endorsement. There are 883 Central GOA fixed gear licenses, and between 110 and 306 of these licenses may qualify for a Pacific cod endorsement. If Pacific cod endorsements are added to licenses, the number of fixed gear catcher vessel licenses eligible to participate in the directed Pacific cod fishery would be reduced from 20% to 42% of current capacity in the Western GOA, and by between 12% to 35% of current capacity in the Central GOA.

The number of Central GOA licenses that meet the various thresholds varies substantially, depending on the qualifying years. If 2000 and 2001 catch history is credited to licenses, approximately 30 to 60 more Central GOA licenses meet the 1 landing threshold, than if the qualifying period begins in 2002. The

qualification period makes less of a difference for Western GOA licenses. Most Western GOA licenses, with fishing history during 2000 and 2001, were also active during 2002 through 2006. Most Western and Central GOA licenses that have 3 or 5 landings, also meet the 5 mt or 10 mt catch thresholds. However, only about 50% to 65% of the licenses that meet the 1 landing threshold during a given qualifying period also meet the 100 mt threshold during the same time period.

When the qualifying period includes catch from 2007 and 2008, approximately 10% to 20% more CV licenses meet the one landing threshold (see Table 2-24). For example, 306 Central GOA licenses have at least one directed Pacific cod landing during 2000 through December 8, 2008, compared to only 269 licenses during 2000 through 2006. Similarly, 110 Western GOA CV licenses have at least one directed Pacific cod landing during 2000 through 2008, compared to only 93 licenses during 2000 through 2006. Again, if a license only qualifies for a Pacific cod endorsement based on catch in 2007 and 2008, the endorsement could be designated nontransferable under Suboption 3 of Component 3.

### **Catcher Vessel Licenses by Gear Type Used**

The number of CV licenses that meet the landings and catch thresholds while using a specific gear type, is reported in Table 2-25. It is important to note that the gear type columns are not mutually exclusive. Licenses may have qualified landings using more than one fixed gear type, and, as a result, the number of licenses in the columns in Table 2-25 may sum to more than the number of qualifying licenses in Table 2-24. Under the current landings and catch thresholds, the number of gear-specific Pacific cod endorsements that would be added to fixed gear catcher vessel licenses includes:

#### Western GOA

- Up to 14 hook-and-line endorsements
- 54 to 96 pot endorsements
- Up to 12 jig endorsements

#### Central GOA

- 68 to 202 hook-and-line endorsements
- 42 to 124 pot endorsements
- Up to 24 jig endorsements

The number of gear-specific Pacific cod endorsements that could be added to licenses under the different options (shown in Table 2-25) may be compared with the number of licenses that participated annually in the Pacific cod fishery (see Table 2-12). In the Western GOA, during 2000 through 2008, up to 59 licenses participated with pot gear, and as many as 96 licenses would qualify for a Western GOA pot endorsement. As many as 7 hook-and-line vessels and 6 jig vessels have participated in the Western GOA Pacific cod fishery in recent years, and up to 14 hook-and-line and 12 jig endorsements could be added to licenses. In the Central GOA, a maximum of 109 licenses participated in the fishery using hook-and-line gear, and up to 202 licenses qualify for hook-and-line endorsements. A maximum of 85 licenses used pot gear in one year, and up to 124 licenses qualify for pot endorsements. Finally, up to 8 Central GOA licenses have jig landings in one year, and 24 licenses could qualify for a jig endorsement.

The Council could choose different catch or landings thresholds for different gear types and MLOA designations, to account for differences in catch history among licenses in each sector. In Component 4, options for defining the catcher vessel sectors include:

- Hook-and-line CV  
Option: Hook-and-line CV  $\geq 60$   
Hook-and-line CV  $< 60$

- Pot CV  
Option: Pot CV  $\geq 60$   
Pot CV  $< 60$
- Jig

In past actions, the Council has selected different qualifying thresholds for vessels, based on gear type, operation type, and vessel length. For example, the qualification criteria used to establish BSAI Pacific cod endorsements under Amendment 67, are shown in Table 2-2. In the BSAI, vessels with pot history needed 100,000 lbs (45 mt) of catch, in each of 2 years during 1995 through 1999, to qualify for a pot catcher vessel endorsement; and vessels with hook-and-line history needed 7.5 mt of catch, in any one year from 1995 to 1999, to qualify for a hook-and-line catcher vessel endorsement.

In evaluating the criteria that licenses will need to meet to qualify for GOA Pacific cod endorsements, the Council may wish to consider the differences in catch history among the gear types. For example, approximately 65% to 75% of the Western GOA licenses that have at least one directed Pacific cod landing using pot gear also meet the highest (100 mt) catch threshold. Under most qualifying periods, more than 50% of Central GOA licenses with at least 1 pot or hook-and-line landing also meet the 100 mt catch threshold. However, in the Western GOA, no licenses with hook-and-line catch history in the directed Pacific cod fishery meet the 100 mt threshold during any of the qualifying periods. Similarly, most licenses with jig history have less than 10 mt of Pacific cod catch during all of the qualifying periods.

Some catcher vessel licenses have catch history using more than one fixed gear type, and these licenses could qualify for more than one gear-specific Pacific cod endorsement. Allowing individual licenses to hold more than one gear endorsement, gives those licenses the flexibility to use different fixed gear types during a given fishing year or over a series of years. Note that under Amendment 67, licenses could qualify for up to 2 BSAI Pacific cod endorsements (pot CV or CP; and hook-and-line CV or CP). The Council has indicated its intent to make endorsements non-severable, to prevent license holders from selling Pacific cod endorsements, which could result in an expansion of the fleet.

Below is a summary of the number of licenses that meet the minimum catch threshold of 1 landing of directed Pacific cod during 2000 through 2006 OR 2000 through Dec 8, 2008, using more than one fixed gear type:

#### Central GOA

- 18 or 30 licenses have both pot and hook-and-line landings
- 10 or 12 licenses have both hook-and-line and jig landings
- 3 licenses have both pot and jig landings
- 1 license has pot, hook-and-line, and jig landings

#### Western GOA

- 2 or 5 licenses have both pot and hook-and-line landings
- 1 license has both hook-and-line and jig landings
- 4 or 7 licenses have both pot and jig landings
- 1 license has pot, hook-and-line, and jig landings

### **Catcher Vessel Licenses by Gear Type Used and MLOA**

Table 2-26 reports the number of licenses that meet the landings and catch thresholds while using a specific gear type, reported by the MLOA designation on the license. This table provides an estimate of the number of licenses that would be eligible to fish the catcher vessel Pacific cod sector allocations, if

separate allocations are established based on gear type and vessel length (e.g., vessels <60 ft LOA and ≥60 ft LOA). However, it should be noted that the number of licenses shown in each size category in Table 2-26 is based on the MLOA designation on the license, not the length of the vessel assigned to the license. In some cases, the MLOA designation is larger than the LOA of the vessel assigned to the license. Also, note that some vessels have multiple (i.e., stacked) licenses, and the number of licenses with qualifying catch may exceed the number of vessels that have participated in the fisheries. These estimates provide some perspective on how the catcher vessel sectors could be divided, by vessel length, for the purpose of establishing Pacific cod sector allocations. For example, if the pot catcher vessel sector allocation is split at 60 feet LOA, there will be approximately 20 licenses in each management area with an MLOA of ≥60 ft, and 40 to 60 licenses with a less than 60 ft MLOA, eligible to fish the allocations. The hook-and-line sector is mostly comprised of licenses with an MLOA of less than 60 feet, and hook-and-line vessels ≥60 feet LOA harvest a relatively small proportion of the Pacific cod catch in the GOA (1% to 2%). Splitting the hook-and-line CV allocation at 50 ft LOA would likely result in more manageable allocations, and a more even distribution of licenses eligible to fish the allocations.

Table 2-26 also shows the number of additional licenses that meet the thresholds when the qualifying period includes catch from 2007 to June 4, 2008 or December 8, 2008. In the Central GOA, the majority of the additional licenses that qualify are 50 ft to 60 ft MLOA and have pot history (6 or 10 additional licenses with 1 landing); or hook-and-line history (17 or 22 additional licenses with 1 landing). Similarly, in the Western GOA, the majority of additional licenses that qualify have an MLOA of 50 ft to 60 ft and have pot history (8 additional licenses with 1 landing).

### **Licenses that only qualify when 2007 and 2008 catch history is included**

Under Component 3, Suboption 3 states that if an LLP license qualifies for a Pacific cod endorsement only when catch during Jan 1, 2007 through Jun 4, 2008 or Dec 8, 2008 is credited to that license, the Pacific cod endorsement would be extinguished upon transfer of the license to another vessel or owner. The rationale for Suboption 3 is that licenses that only have recent (2007 and 2008) history in the Western or Central GOA Pacific cod fisheries, may have made these landings specifically for the purpose of qualifying for a Pacific cod endorsement. Those participants who entered the fishery in 2007 and 2008, would receive a Pacific cod endorsement, and could continue to participate in the fishery. However, their Pacific cod endorsement would not be transferable to another vessel or owner.

Designating these Pacific cod endorsements as non-transferable could have several effects. First, the existing fleet of vessels assigned to the licenses that recently entered the GOA Pacific cod fishery could not be replaced. This would preclude license holders from replacing smaller, lower capacity vessels with high capacity vessels. However, it could also preclude license holders from replacing vessels for safety or other considerations. Vessel replacement provisions could allow a license to be transferred to another vessel, if the vessel assigned to a license sinks or otherwise becomes inoperable. Suboption 3 would also preclude a license holder who receives a Pacific cod endorsement based on 2007 or 2008 history, from opportunistically selling the license with the endorsement to another person. The intent of including 2007 and 2008 history is to allow those participants who have only recently entered the fishery to be able to continue to participate in the fishery. It is not intended to allow recent entrants to qualify for an endorsement in order to sell the license with the endorsement to another person.

Table 2-27 provides a summary of the CV licenses that qualify at the 1 landing threshold only when catch history from 2007 through December 8, 2008 is included. Approximately half of the additional CV licenses that qualify have an MLOA of 58 ft or 59 ft. There are 37 Central GOA CV licenses that qualify at the 1 landing threshold; 32 of these licenses have an MLOA of <60 ft, and 19 have an MLOA of 58 ft or 59 ft. Three of the 37 licenses are currently assigned to vessels greater than 100 gross tons. The licenses are mostly held by Alaska residents (25 of the 37 licenses, including 10 held by Kodiak residents). There are 17 Western GOA CV licenses that qualify at the 1 landing threshold only when 2007 and 2008 catch history is included; 10 licenses have an MLOA of <60 ft, and 7 licenses have an

MLOA of 58 ft or 59 ft (including one vessel that is greater than 100 gross tons). The licenses are also mostly held by Alaska residents (7 of 10 licenses). Four Western GOA and 4 Central GOA CV licenses that qualify are stacked on two vessels (2 licenses per vessel). These licenses are transferable. Thus, the stacked licenses could be assigned to different vessels or sold to different persons in the future, which would result in an increase in the size of the fleet eligible to participate in the Western and Central GOA Pacific cod fishery.

There are also additional CP licenses that qualify for a Pacific cod endorsement at the 1 landing threshold when catch through Dec 8, 2008 is credited to licenses. Three additional Western GOA CP licenses, and 7 additional Central GOA CP licenses, meet the '2008 landing' threshold. Most of these licenses have hook-and-line CP landings, and would qualify for a hook-and-line Pacific cod endorsement. There is a comparison of annual participation and revenues in the GOA Pacific cod fisheries and other fisheries in and off Alaska by CV and CP licenses that only qualify when 2007 and 2008 landings are credited to licenses, and licenses that qualify based on 2000 to 2006 catch, in section 2.6.1 of this document.

**Table 2-24 Number of fixed gear catcher vessel licenses that meet the landings and catch thresholds based on landings in the Western or Central GOA directed Pacific cod fisheries.**

**Western GOA – 264 CV licenses**

Threshold	2000- Dec 2008	2000- June 2008	2000- 2006	2002- Dec 2008	2002- June 2008	2002- 2006
1 landing	110	106	93	101	96	82
3 landings	100	95	83	95	90	76
5 landings	91	87	74	86	82	68
5 mt	105	100	85	99	94	77
10 mt	97	93	79	93	89	73
25 mt	91	88	74	85	82	66
100 mt	68	63	55	68	63	54

**Central GOA – 883 CV licenses**

Threshold	2000- Dec 2008	2000- June 2008	2000- 2006	2002- Dec 2008	2002- June 2008	2002- 2006
1 landing	306	297	269	245	234	198
3 landings	272	266	240	220	215	179
5 landings	249	246	219	203	200	164
5 mt	273	267	237	222	216	180
10 mt	255	250	223	210	205	171
25 mt	221	220	190	189	188	154
100 mt	171	169	151	142	139	110

Source: ADFG Fish Tickets (2000-2007), NMFS Catch Accounting (2008) and RAM groundfish license file, December 2008.

**Table 2-25 Number of fixed gear catcher vessel licenses that meet the landings and catch thresholds based on landings using a specific gear type in the Western or Central GOA directed Pacific cod fisheries.**

**Western GOA licenses - 264 CV licenses**

<b>Hook-and-line</b>						
Threshold	2000- Dec 2008	2000- June 2008	2000- 2006	2002- Dec 2008	2002- June 2008	2002- 2006
1 landing	14	12	7	14	12	7
3 landings	11	8	4	10	7	3
5 landings	9	5	1	9	5	1
5 mt	13	11	6	12	10	5
10 mt	11	9	3	11	9	3
25 mt	9	6	0	9	6	0
100 mt	3	0	0	3	0	0

<b>Jig</b>						
Threshold	2000- Dec 2008	2000- June 2008	2000- 2006	2002- Dec 2008	2002- June 2008	2002- 2006
1 landing	13	9	9	12	8	8
3 landings	7	7	7	7	7	7
5 landings	5	5	5	5	5	5
5 mt	7	6	6	7	6	6
10 mt	3	3	3	3	3	3
25 mt	*	*	*	*	*	*
100 mt	0	0	0	0	0	0

<b>Pot</b>						
Threshold	2000- Dec 2008	2000- June 2008	2000- 2006	2002- Dec 2008	2002- June 2008	2002- 2006
1 landing	96	94	83	86	84	72
3 landings	88	87	77	82	81	69
5 landings	82	81	71	76	75	64
5 mt	91	89	78	84	82	69
10 mt	88	86	75	83	81	68
25 mt	82	81	71	76	75	63
100 mt	65	63	55	65	63	54

Source: ADFG Fish Tickets (2000-2007), NMFS Catch Accounting (2008) and RAM groundfish license file, December 2008.

\*Withheld for confidentiality.

Note: Gear type columns are not mutually exclusive, and the number of licenses in the columns in Table 2-25 may sum to more than the number of qualifying licenses in Table 2-24

**Central GOA licenses – 883 CV licenses**

<b>Hook-and-line gear</b>						
Threshold	2000- Dec 2008	2000- June 2008	2000- 2006	2002- Dec 2008	2002- June 2008	2002- 2006
1 landing	202	196	169	161	154	123
3 landings	177	172	149	142	138	111
5 landings	157	155	133	125	123	98
5 mt	180	176	149	145	141	112
10 mt	162	159	135	134	130	104
25 mt	134	134	112	116	116	94
100 mt	96	94	84	84	81	68

<b>Jig</b>						
Threshold	2000- Dec 2008	2000- June 2008	2000- 2006	2002- Dec 2008	2002- June 2008	2002- 2006
1 landing	24	22	19	19	18	15
3 landings	10	10	9	7	7	6
5 landings	9	9	7	7	7	5
5 mt	9	8	7	8	7	6
10 mt	4	4	4	4	4	4
25 mt	*	*	0	*	*	0
100 mt	0	0	0	0	0	0

<b>Pot</b>						
Threshold	2000- Dec 2008	2000- June 2008	2000- 2006	2002- Dec 2008	2002- June 2008	2002- 2006
1 landing	124	120	111	94	90	78
3 landings	109	106	100	85	82	70
5 landings	98	98	91	78	78	66
5 mt	109	106	99	85	82	72
10 mt	106	103	96	83	80	69
25 mt	93	91	83	76	74	62
100 mt	75	75	66	59	59	42

Source: ADFG Fish Tickets (2000-2007), NMFS Catch Accounting (2008) and RAM groundfish license file, December 2008.  
\*Withheld for confidentiality.

Note: Gear type columns are not mutually exclusive, and the number of licenses in the columns in Table 2-25 may sum to more than the number of qualifying licenses in Table 2-24

**Table 2-26 Number of catcher vessel licenses that meet the landings and catch thresholds based on catch in the directed Pacific cod fisheries in the Western and Central GOA using a specific gear type, reported by the MLOA on the license.**

**Western GOA- 264 CV licenses**

Hook-and-line gear									
	<50 feet	50-59 feet	≥60 feet	<50 feet	50-59 feet	≥60 feet	<50 feet	50-59 feet	≥60 feet
	2000- Dec 2008			2000- June 2008			2000-2006		
1 landing	4	6	4	3	6	3	0	6	1
3 landings	4	4	3	3	4	1	0	3	1
5 landings	3	3	3	2	2	1	0	1	0
5 mt	3	6	4	*	6	*	0	6	0
10 mt	3	4	4	*	4	*	0	3	0
25 mt	*	*	4	*	*	*	0	0	0
100 mt	0	*	*	0	0	0	0	0	0

Jig gear									
	<50 feet	50-59 feet	≥60 feet	<50 feet	50-59 feet	≥60 feet	<50 feet	50-59 feet	≥60 feet
	2000- Dec 2008			2000- June 2008			2000-2006		
1 landing	4	8	1	4	5	0	4	5	0
3 landings	3	4	0	3	4	0	3	4	0
5 landings	2	3	0	2	3	0	2	3	0
5 mt	3	4	0	*	*	0	*	*	0
10 mt	*	*	0	*	*	0	*	*	0
25 mt	*	*	0	*	*	0	*	*	0
100 mt	0	0	0	0	0	0	0	0	0

Pot gear									
	<50 feet	50-59 feet	≥60 feet	<50 feet	50-59 feet	≥60 feet	<50 feet	50-59 feet	≥60 feet
	2000- Dec 2008			2000- June 2008			2000-2006		
1 landing	2	67	27	2	67	25	2	59	22
3 landings	2	62	24	2	61	24	2	53	22
5 landings	1	59	22	1	58	22	1	51	19
5 mt	*	63	*	*	63	*	*	55	*
10 mt	*	*	25	*	*	24	*	*	21
25 mt	0	58	24	0	57	24	0	50	21
100 mt	0	46	19	0	44	19	0	37	18

Source: ADFG Fish Tickets (2000-2007), NMFS Catch Accounting (2008) and RAM groundfish license file, December 2008.  
\*Withheld for confidentiality.

Note: Length classes are based on the MLOA on each license, and not on the vessel assigned to that license. A vessel may have an LOA less than the MLOA on its license. The number of licenses qualifying in each MLOA length class may differ from the number of vessels in each LOA length class that have participated in the fisheries.



**Western GOA – 264 CV licenses**

<b>Hook-and-line gear</b>									
	<50 feet	50-59 feet	≥60 feet	<50 feet	50-59 feet	≥60 feet	<50 feet	50-59 feet	≥60 feet
	2002- Dec 2008			2002- June 2008			2002-2006		
1 landing	4	6	4	3	6	3	0	6	1
3 landings	4	3	3	3	3	1	0	2	1
5 landings	3	3	3	2	2	1	0	1	0
5 mt	3	5	4	2	5	3	0	5	0
10 mt	3	4	4	*	4	*	0	3	0
25 mt	*	*	4	*	*	*	0	0	0
100 mt	0	*	*	0	0	0	0	0	0

<b>Jig gear</b>									
	<50 feet	50-59 feet	≥60 feet	<50 feet	50-59 feet	≥60 feet	<50 feet	50-59 feet	≥60 feet
	2002- Dec 2008			2002- June 2008			2002-2006		
1 landing	3	8	1	3	5	1	3	5	0
3 landings	3	4	0	3	4	0	3	4	0
5 landings	2	3	0	2	3	0	2	3	0
5 mt	3	4	0	*	*	0	*	*	0
10 mt	*	*	0	*	*	0	*	*	0
25 mt	*	*	0	*	*	0	*	*	0
100 mt	0	0	0	0	0	0	0	0	0

<b>Pot gear</b>									
	<50 feet	50-59 feet	≥60 feet	<50 feet	50-59 feet	≥60 feet	<50 feet	50-59 feet	≥60 feet
	2002- Dec 2008			2002- June 2008			2002-2006		
1 landing	2	59	25	2	59	23	2	51	19
3 landings	2	58	22	2	57	22	2	48	19
5 landings	1	55	20	1	54	20	1	46	17
5 mt	*	*	25	*	*	23	*	*	19
10 mt	*	*	24	*	*	23	*	*	19
25 mt	0	53	23	0	52	23	0	44	19
100 mt	0	46	19	0	44	19	0	37	17

Source: ADFG Fish Tickets (2000-2007), NMFS Catch Accounting (2008) and RAM groundfish license file, December 2008.  
 \*Withheld for confidentiality.

Note: Length classes are based on the MLOA on each license, and not on the vessel assigned to that license. A vessel may have an LOA less than the MLOA on its license. The number of licenses qualifying in each MLOA length class may differ from the number of vessels in each LOA length class that have participated in the fisheries.

**Central GOA- 883 CV licenses**

Hook-and-line gear									
	<50 feet	50-59 feet	≥60 feet	<50 feet	50-59 feet	≥60 feet	<50 feet	50-59 feet	≥60 feet
	2000- Dec 2008			2000- June 2008			2000-2006		
1 landing	104	84	14	103	79	14	97	62	10
3 landings	100	68	9	99	64	9	92	51	6
5 landings	89	59	9	88	58	9	82	45	6
5 mt	97	72	11	96	69	11	90	52	7
10 mt	87	64	11	86	62	11	79	49	7
25 mt	71	54	9	71	54	9	67	39	6
100 mt	54	37	5	53	36	5	50	30	4

Jig gear									
	<50 feet	50-59 feet	≥60 feet	<50 feet	50-59 feet	≥60 feet	<50 feet	50-59 feet	≥60 feet
	2000- Dec 2008			2000- June 2008			2000-2006		
1 landing	13	10	1	12	9	1	11	7	1
3 landings	5	4	1	5	4	1	5	3	1
5 landings	4	4	1	4	4	1	4	2	1
5 mt	*	5	*	*	4	*	*	3	*
10 mt	*	*	*	*	*	*	*	*	*
25 mt	0	0	*	0	0	*	0	0	0
100 mt	0	0	0	0	0	0	0	0	0

Pot gear									
	<50 feet	50-59 feet	≥60 feet	<50 feet	50-59 feet	≥60 feet	<50 feet	50-59 feet	≥60 feet
	2000- Dec 2008			2000- June 2008			2000-2006		
1 landing	7	66	51	7	62	51	7	56	48
3 landings	6	57	46	6	54	46	6	49	45
5 landings	6	53	39	6	53	39	5	48	38
5 mt	5	58	46	5	55	46	5	50	44
10 mt	4	58	44	4	55	44	4	50	42
25 mt	4	51	38	4	49	38	4	43	36
100 mt	3	39	33	3	39	33	*	*	30

Source: ADFG Fish Tickets (2000-2007), NMFS Catch Accounting (2008) and RAM groundfish license file, December 2008.  
 \*Withheld for confidentiality.

Note: Length classes are based on the MLOA on each license, and not on the vessel assigned to that license. A vessel may have an LOA less than the MLOA on its license. The number of licenses qualifying in each MLOA length class may differ from the number of vessels in each LOA length class that have participated in the fisheries.

**Central GOA – 883 CV licenses**

Hook-and-line gear									
	<50 feet	50-59 feet	≥60 feet	<50 feet	50-59 feet	≥60 feet	<50 feet	50-59 feet	≥60 feet
	2002- Dec 2008			2002- June 2008			2002-2006		
1 landing	81	68	12	79	63	12	73	42	8
3 landings	75	58	9	74	55	9	66	39	6
5 landings	65	51	9	64	50	9	58	34	6
5 mt	74	60	11	73	57	11	67	38	7
10 mt	68	55	11	67	52	11	60	37	7
25 mt	59	48	9	59	48	9	55	33	6
100 mt	50	29	5	48	28	5	43	21	4

Jig gear									
	<50 feet	50-59 feet	≥60 feet	<50 feet	50-59 feet	≥60 feet	<50 feet	50-59 feet	≥60 feet
	2002- Dec 2008			2002- June 2008			2002-2006		
1 landing	10	8	1	9	8	1	8	6	1
3 landings	3	3	1	3	3	1	3	2	1
5 landings	3	3	1	3	3	1	3	1	1
5 mt	*	5	*	*	4	*	*	3	*
10 mt	*	*	*	*	*	*	*	*	*
25 mt	0	0	*	0	0	*	0	0	0
100 mt	0	0	0	0	0	0	0	0	0

Pot gear									
	<50 feet	50-59 feet	≥60 feet	<50 feet	50-59 feet	≥60 feet	<50 feet	50-59 feet	≥60 feet
	2002- Dec 2008			2002- June 2008			2002-2006		
1 landing	6	53	35	6	49	35	6	42	30
3 landings	5	48	32	5	45	32	5	38	27
5 landings	5	45	28	5	45	28	4	38	24
5 mt	4	48	33	4	45	33	4	39	29
10 mt	4	47	32	4	44	32	4	37	28
25 mt	4	43	29	4	41	29	4	34	24
100 mt	*	*	23	*	34	*	*	*	19

Source: ADFG Fish Tickets (2000-2007), NMFS Catch Accounting (2008) and RAM groundfish license file, December 2008.  
 \*Withheld for confidentiality.

Note: Length classes are based on the MLOA on each license, and not on the vessel assigned to that license. A vessel may have an LOA less than the MLOA on its license. The number of licenses qualifying in each MLOA length class may differ from the number of vessels in each LOA length class that have participated in the fisheries.

**Table 2-27 Catcher vessel licenses qualifying only under Component 3, Suboption 2 (catch through December 8, 2008) at the 1 landing threshold.**

	<60 ft MLOA		Total <60 ft MLOA	>60 ft MLOA	Total
	<100 gross tons	≥100 gross tons			
Central GOA CV licenses	29	3	32*	5	37
Western GOA CV licenses	9	1	10**	7	17

\*19 of 32 Central GOA <60 ft MLOA licenses have an MLOA of 58 or 59 ft

\*\*7 of 10 Western GOA <60 ft MLOA licenses have an MLOA of 58 or 59 ft

## 2.5.4 Catcher processor licenses

The number of catcher processor licenses that meet the various landings and/or catch thresholds is reported in Table 2-28. For the purpose of this analysis, catcher processor licenses were credited with both catcher processor and catcher vessel landings. The same rule was used for the trawl recency action. Catch Accounting data were used to determine the number of landings and retained catch (mt) by catcher processors. The Council elected to use Catch Accounting data, rather than Weekly Production Reports for the GOA Pacific cod sector allocations to catcher processors. Catch Accounting data were used in this analysis to be consistent with the sector split analysis, but the Council could choose to use Weekly Production Reports instead. For the purpose of determining whether licenses meet the recency criteria, Catch Accounting data and Weekly Production Reports should produce similar results. One advantage of using Catch Accounting data to generate the estimates in this analysis is that landings by all vessels are stored in a single database, making it easier to ensure that catcher processors are credited for any landings made as catcher vessels.

The Council elected to exclude IFQ catch from qualifying catch for the purpose of determining recent participation in the groundfish fisheries. However, the Catch Accounting and Weekly Production Report databases have not historically tracked IFQ catch in a consistent manner. NMFS staff suggested excluding all halibut and sablefish targeted catch, as a proxy for identifying IFQ catch. This approach may exclude some qualified groundfish catch, particularly directed Pacific cod catch, when Pacific cod comprised more than 20%, but less than 50% of a vessel's catch while it was targeting halibut or sablefish. Directed fishing is defined as any fishing activity that results in the retention of greater than the maximum retainable amount (MRA) for that species (679.2). For this reason, these trips were identified and directed cod catch was credited to licenses.

There are 31 Western GOA catcher processor licenses, and 19 to 24 licenses meet the 1 landing threshold during the various qualifying periods. The majority of Western GOA licenses that have at least one landing also meet the highest catch threshold (100 mt) and landings threshold (5 landings). Three licenses qualify only when catch during 2007 and 2008 is included. There are 49 Central GOA licenses, and 12 to 21 licenses meet the 1 landing threshold. Fewer Central GOA CP licenses that meet the one landing threshold also meet the highest thresholds. Seven licenses qualify at the 1 landing threshold only when catch during 2007 and 2008 is included.

The number of catcher processor licenses estimated to qualify for gear-specific Pacific cod endorsements includes:

### Western GOA

- 13 to 22 hook-and-line catcher processor endorsements
- Up to 5 pot catcher processor endorsements
- Up to 3 licenses could qualify for both hook-and-line and pot endorsements

### Central GOA

- 7 to 18 hook-and-line catcher processor endorsements
- Up to 4 pot catcher processor endorsements
- 1 license could qualify for both hook-and-line and pot endorsements

The number of gear-specific Pacific cod endorsements that could be added to CP licenses under the different options (shown in Table 2-28) may be compared to the number of CP licenses participating on an annual basis, using each gear type (see Table 2-13). In the Western GOA, 4 to 12 hook-and-line CPs participated in the fishery during 2000 through 2008; up to 22 CP licenses could receive a hook-and-line Pacific cod endorsement. In the Central GOA, 1 to 9 hook-and-line CPs participated in the fishery during 2000 through 2008, and as many as 18 CP licenses could receive a hook-and-line Pacific cod

endorsement. As many as 5 Western GOA and 4 Central GOA CP licenses qualify for a pot Pacific cod endorsements. Typically, fewer than 3 pot CPs participate in the directed Pacific cod fishery in either management area during a given year.

**Table 2-28 Number of fixed gear catcher processor licenses that meet the landings and catch thresholds based on catch in the directed Pacific cod fisheries in the Western and Central GOA.**

**Western GOA – 31 CP licenses**

All gear						
Threshold	2000- Dec 2008	2000- June 2008	2000- 2006	2002- Dec 2008	2002- June 2008	2002- 2006
1 landing	24	22	21	23	21	19
3 landings	24	21	20	22	19	17
5 landings	20	19	18	18	17	16
5 mt	23	21	20	22	20	18
10 mt	22	20	19	21	19	17
25 mt	21	20	19	20	19	17
100 mt	18	18	*	*	*	*

Hook-and-line gear						
Threshold	2000- Dec 2008	2000- June 2008	2000- 2006	2002- Dec 2008	2002- June 2008	2002- 2006
1 landing	22	19	18	20	17	16
3 landings	21	17	16	20	16	14
5 landings	17	15	15	16	14	13
5 mt	21	18	17	19	16	15
10 mt	20	17	16	18	15	14
25 mt	18	16	15	17	15	14
100 mt	16	15	15	15	14	14

Pot gear						
Threshold	2000- Dec 2008	2000- June 2008	2000- 2006	2002- Dec 2008	2002- June 2008	2002- 2006
1 landing	5	5	5	4	4	3
3 landings	5	5	5	3	3	3
5 landings	4	4	3	3	3	3
5 mt	5	5	5	4	4	3
10 mt	5	5	5	4	4	3
25 mt	5	5	5	4	4	3
100 mt	4	4	*	*	*	*

Source: Catch Accounting/Blend data and RAM LLP license file, December 2008. \*Withheld for confidentiality.

Note: Gear type columns are not mutually exclusive, because some licenses have catch history using more than one gear type. The number of licenses in the gear columns may sum to more than the total number of licenses qualifying.

**Central GOA – 49 CP licenses**

All gear						
Threshold	2000- Dec 2008	2000- June 2008	2000- 2006	2002- Dec 2008	2002- June 2008	2002- 2006
1 landing	21	21	14	19	19	12
3 landings	18	18	12	17	17	11
5 landings	14	14	11	12	12	9
5 mt	21	21	14	18	18	*
10 mt	19	19	12	18	18	*
25 mt	18	18	12	17	17	*
100 mt	15	15	*	14	14	*

Hook-and-line gear						
Threshold	2000- Dec 2008	2000- June 2008	2000- 2006	2002- Dec 2008	2002- June 2008	2002- 2006
1 landing	18	18	12	16	16	10
3 landings	15	15	10	14	14	9
5 landings	10	10	8	9	9	7
5 mt	18	18	12	15	15	9
10 mt	16	16	10	15	15	9
25 mt	15	15	10	14	14	9
100 mt	11	11	7	11	11	7

Pot gear						
Threshold	2000- Dec 2008	2000- June 2008	2000- 2006	2002- Dec 2008	2002- June 2008	2002- 2006
1 landing	4	4	3	3	3	2
3 landings	4	4	3	3	3	2
5 landings	4	4	3	3	3	2
5 mt	4	4	3	3	3	*
10 mt	4	4	3	3	3	*
25 mt	4	4	3	3	3	*
100 mt	4	4	*	3	3	*

Source: Catch Accounting/Blend data and RAM LLP license file, December 2008. \*Withheld for confidentiality.

Note: Gear type columns are not mutually exclusive, because some licenses have catch history using more than one gear type. The number of licenses in the gear columns may sum to more than the total number of licenses qualifying.

Table 2-29 shows the number of hook-and-line catcher processor licenses in each length class that qualify under the various catch thresholds. The length overall of the vessel currently assigned to each license, rather than the MLOA designation, was used in this table, because there is currently one fixed gear GOA catcher processor license with an MLOA of  $\geq 125$  feet that is assigned to a vessel less than 125 feet LOA. If Pacific cod sector allocations for hook-and-line catcher processors are established based on vessel length, this license could be transferred to a larger vessel, resulting in an increase in the number of vessels fishing the  $\geq 125$  feet LOA hook-and-line catcher processor allocation. There are 7 to 13 Western GOA licenses assigned to vessels less than 125 ft vessels; and 7 to 9 licenses on  $\geq 125$  ft LOA vessels that have at least 1 directed cod landing during the different qualification periods. There are as many as 11 Central GOA licenses on less than 125 ft LOA vessels; and as many as 7 licenses on  $\geq 125$  ft LOA vessels that have at least 1 directed cod landing.

**Table 2-29 Number of hook-and-line catcher processor licenses that meet the landings and catch thresholds based on catch in the directed Pacific cod fisheries in the Western and Central GOA, reported by the LOA of the vessel assigned to each license.**

**Western GOA—31 CP licenses**

	2000- Dec 2008		2000- June 2008		2000-2006		2002- Dec 2008		2002- June 2008		2002-2006	
	<125 ft	≥125 ft	<125 ft	≥125 ft	<125 ft	≥125 ft	<125 ft	≥125 ft	<125 ft	≥125 ft	<125 ft	≥125 ft
1 landing	13	9	10	9	9	9	12	8	9	8	8	8
3 landings	13	8	9	8	8	8	12	8	8	8	6	8
5 landings	10	7	8	7	8	7	9	7	7	7	6	7
5 mt	12	9	9	9	8	9	11	8	8	8	7	8
10 mt	12	8	9	8	8	8	11	7	8	7	7	7
25 mt	11	7	9	7	8	7	10	7	8	7	7	7
100 mt	9	7	8	7	8	7	8	7	7	7	7	7

Source: Catch Accounting/Blend data and RAM LLP license file, December 2008. \*Withheld for confidentiality.

Note: Length classes are based on vessel length (of the vessel currently named on each license) rather than MLOA.

One license with an MLOA ≥125 ft is assigned to a vessel with an LOA of <125 feet.

**Central GOA—49 CP licenses**

	2000- Dec 2008		2000- June 2008		2000-2006		2002- Dec 2008		2002- June 2008		2002-2006	
	<125 ft	≥125 ft	<125 ft	≥125 ft	<125 ft	≥125 ft	<125 ft	≥125 ft	<125 ft	≥125 ft	<125 ft	≥125 ft
1 landing	11	7	11	7	6	6	9	7	9	7	4	6
3 landings	8	7	8	7	4	6	7	7	7	7	3	6
5 landings	4	6	4	6	3	5	3	6	3	6	2	5
5 mt	11	7	11	7	6	6	8	7	8	7	3	6
10 mt	9	7	9	7	4	6	8	7	8	7	3	6
25 mt	8	7	8	7	4	6	7	7	7	7	3	6
100 mt	5	6	5	6	*	*	5	6	5	6	*	*

Source: Catch Accounting/Blend data and RAM LLP license file, December 2008. \*Withheld for confidentiality.

Note: Length classes are based on vessel length (of the vessel currently named on each license) rather than MLOA.

One license with an MLOA ≥125 ft is assigned to a vessel with an LOA of <125 feet.

## 2.5.5 Licenses subject to crab sideboards

In developing the BSAI crab rationalization program, the Council imposed sideboards on the GOA groundfish fisheries. Pot vessels generally participate in only the crab and Pacific cod fisheries. As a result, the only perceived increase in opportunity arising from the crab rationalization program was thought to be in the Pacific cod fisheries in the GOA that are prosecuted in January, when the Bering Sea *C. opilio* fishery is typically prosecuted. Only recipients of initial allocations<sup>8</sup> in the Bering Sea *C. opilio* fishery are subject to the sideboards. The sideboards limit these vessels and licenses to their historic share of retained catch of GOA Pacific cod and other GOA groundfish during 1996 to 2000, excluding catch of fixed gear sablefish. Vessels that have limited history in the GOA groundfish fisheries – less than 50 mt of catch during 1996 to 2000 – are prohibited from directed fishing for Pacific cod in the GOA. Vessels that landed less than 100,000 pounds of Bering Sea *C. opilio* and more than 500 mt of Pacific cod in the GOA from 1996 to 2000, are exempt from these sideboard limits.

<sup>8</sup> Since allocations in the program are based on catch history associated with a license, the sideboard is constructed to limit catch using the license. This is done by sideboarding any vessel the catch of which led to a share allocation and any vessel named on the license that arose from the catch history of the vessel that led to that allocation.

These sideboard provisions limit participation by some vessels that historically fished in the GOA. Specifically, the sideboards prohibit 137 vessels from directed fishing for GOA Pacific cod, and limit Pacific cod harvests by 82 additional vessels to a sideboard. In addition to these sideboarded vessels, 36<sup>9</sup> fixed gear groundfish LLP licenses are subject to the Pacific cod sideboards, and 11 licenses are prohibited from directed fishing for Pacific cod in the GOA. The purpose of this discussion is to provide an estimate of the number of licenses that may qualify for a Pacific cod endorsement, but are subject to the GOA Pacific cod sideboards for BSAI crab qualified vessels. These licenses may receive a gear-specific Pacific cod endorsement, but their participation in the GOA Pacific cod fisheries will be limited by the sideboards. Of the 36 sideboarded licenses, 6 are CP licenses and 30 are CV licenses (see Table 2-30). All but one of the sideboarded CV licenses has an MLOA of  $\geq 60$  ft. The sideboard amounts are calculated as a percentage of the Western and Central GOA inshore and offshore Pacific cod TACs (see Table 2-31). If GOA Pacific cod sector allocations are established and supersede the current inshore/offshore processing sector allocations, the GOA inshore and offshore crab sideboards will likely need to be recalculated into a combined sideboard amount.

**Table 2-30 Number of licenses subject to crab sideboards or prohibited from directed fishing for Pacific cod**

Operation Type	Pacific cod Prohibited			Pacific cod Sideboarded		
	Number of licenses	Number WG endorsed	Number CG endorsed	Number of licenses	Number WG endorsed	Number CG endorsed
Catcher Vessel	11	8	6	30	14	20
Catcher Processor	0	0	0	6	4	4

Source: RAM LLP license file, October 2008. Does not include 3 licenses recently exempted from the sideboards in Oct 2008.

All of the crab sideboarded Western GOA CV licenses that have directed Pacific cod landings during the potential qualifying periods, have MLOA designations of  $\geq 60$  ft, and all of these licenses have only pot landings. Table 2-26 shows the number of Western GOA CV licenses with MLOA designations of  $\geq 60$  ft that are estimated to qualify for a pot endorsement: up to 19 licenses at the 100 mt threshold and 27 licenses at the 1 landing threshold. Eleven licenses that meet the 100 mt threshold and 13 licenses with 1 landing are sideboarded. The sideboarded Central GOA CV licenses have qualified pot or hook-and-line landings; up to 33 licenses meet the 100 mt threshold with pot gear and 51 licenses have 1 landing using pot gear. Fourteen licenses qualifying at 100 mt are sideboarded, and 16 licenses with 1 landing are sideboarded. In addition, 1 sideboarded Central GOA license with an MLOA greater than 60 ft has at least one qualified hook-and-line landing. Finally, up to 3 of the  $\geq 60$  ft MLOA Western GOA CV licenses with qualified pot landings are prohibited from participating in the GOA directed Pacific cod fisheries, and one  $\geq 60$  ft MLOA Central GOA license with at least one qualified pot landing cannot participate in the directed Pacific cod fisheries.

**Table 2-31 Crab sideboards for the Western and Central GOA Pacific cod fisheries**

Management Area	TAC	Percent of TAC
Western Gulf	Inshore	9.02%
	Offshore	20.46%
Central Gulf	Inshore	3.83%
	Offshore	20.74%

Source: NMFS Harvest Specifications.

<sup>9</sup> The Council took final action in October 2008 to exempt 3 vessels and 3 licenses from the sideboards. Previously, 85 vessels and 39 fixed gear groundfish LLP licenses were subject to the sideboards.



In sum, 16 of the 93 to 110 Western GOA CV licenses that have at least one directed Pacific cod landing during the various qualifying periods are subject to the crab sideboards (13 licenses) or prohibited from directed fishing for Pacific cod (3 licenses), and all of these licenses have an MLOA designation of  $\geq 60$  ft. A total of 18 of the 269 to 306 Central GOA licenses that have at least one landing are subject to the crab sideboards (17 licenses) or are prohibited from directed fishing for Pacific cod (1 license). Six of the crab sideboarded licenses are CP licenses; none of the Pacific cod-prohibited licenses are CP licenses. Four of these sideboarded CP licenses have a Western GOA endorsement and at least 3 of these licenses have at least one directed Pacific cod landing in the Western GOA during 2000 through 2008. Four licenses have a Central GOA endorsement, and at least 3 of these licenses have at least one directed Pacific cod landing in the Central GOA during 2000 through 2008

### **2.5.6 Exemptions from the proposed action**

The Council considered several exemptions from the proposed action. These exemptions would (1) allow certain types of vessels to participate in the directed Pacific cod fisheries without a Pacific cod endorsement or LLP license, and (2) exempt some licenses from the catch thresholds, allowing these licenses to qualify for a Pacific cod endorsement even if they do not have qualifying catch. In determining which exemptions will be selected, the Council discussed balancing the objectives of creating opportunities for new entry with the need to protect long-term participants from an influx of additional effort into the fisheries. The proposed exemptions include:

- An exemption from the Pacific cod endorsement requirement for vessels using jig gear that use a maximum of 5 jigging machines, 5 lines, and 30 hooks per line.
- An exemption from the Pacific cod endorsement requirement for vessels participating with fixed gear in the Western GOA B season directed Pacific cod fishery. A suboption would exempt only vessels using pot gear.
- An exemption from the catch thresholds for CP licenses that voluntarily stood down from the GOA Pacific cod fisheries during 2006, 2007, or 2008, as part of the informal hook-and-line CP halibut PSC cooperative.

### **2.5.7 Exemptions for jig vessels**

The proposed action includes an option to exempt all vessels using jig gear from the LLP requirement, including the Pacific cod endorsement requirement, subject to gear restrictions (5 jigging machines, 5 lines, and 30 hooks per line). These gear restrictions are consistent with the gear allowed in the GOA State waters Pacific cod jig fisheries, although State regulations also allow the use of 1 line with 150 hooks. The purpose of the jig exemption is to ensure that there are adequate entry level opportunities for small vessels in the GOA Pacific cod fisheries. There is a similar exemption in the BSAI that allows vessels less than 60 ft LOA using a maximum of 5 jig machines, one line per jig machine, and 15 hooks per line to participate in the directed groundfish fisheries without an LLP license.

The Council initially discussed the possibility of limiting the jig exemption to vessels less than 58 feet LOA, and asked staff to bring back additional information on the number of vessels using jig gear in the Federal fisheries that hold LLP licenses. Table 2-32 shows the number of vessels using jig gear with retained catch of Pacific cod from the Federal and parallel waters fisheries in the Western and Central GOA during 2000 through 2007, and the number of these vessels that hold an LLP license. The majority of vessels using jig gear during 2000 through 2007 did not hold an LLP license and were only eligible to fish in parallel waters. Also, most vessels that used jig gear are less than 58 feet LOA. Based on this information, and the limitations imposed by the proposed gear restrictions, the Council decided to exempt vessels of any length using jig gear from the LLP and the Pacific cod endorsement requirement in the GOA.

The Council also requested additional information on LLP licenses that have recent jig landings. Most jig landings were made by licenses with an MLOA of less than 58 feet (Table 2-33). However, some licenses with larger MLOAs had groundfish and directed Pacific cod landings using jig gear. Table 2-32 reports the number of vessels participating in the fisheries in each length (LOA) class, and Table 2-33 reports the number of licenses with jig history based on the MLOA on the license. Note that there may be some differences between the number of vessels and licenses in each length class reported in the two tables. The MLOA may be greater than the actual length of the vessel assigned to the license. As a result, some licenses with an MLOA of  $\geq 58$  ft may be assigned to vessels  $< 58$  ft LOA.

Some licenses may have sufficient jig landings in the directed Pacific cod fishery to qualify for a Pacific cod endorsement. The Council indicated during its deliberations that its intent was to allow these licenses to qualify for a Pacific cod endorsement based on jig landings. These licenses could participate in the fishery using jig gear and would not be restricted to the gear limits that apply to licenses that do not have a Pacific cod endorsement. Several licenses that could qualify for a Western or Central GOA Pacific cod endorsement based on jig landings also have pot or hook-and-line landings, and could potentially qualify for a pot or hook-and-line Pacific cod endorsement, in addition to a jig endorsement.

The number of vessels that used jig gear in the parallel and Federal fisheries in the GOA during a given year has been relatively small. However, if vessels less than 58 feet in length using jig gear were exempted from the LLP requirement, new vessels could potentially enter the jig fishery and fish in Federal waters without a license. This outcome may be desirable if there is a perceived need to provide new entry level opportunities in the fisheries. The proposed exemption from the LLP requirement for vessels using jig gear, in tandem with the proposal to provide the jig sector a Pacific cod allocation of more than the sector's historic catch, will provide a substantial increase in opportunity for current as well as new participants in this sector. In addition, the potential for a stair step increase in the jig allocation if the allocation is fully harvested would provide for growth in the jig sector. The data indicate that a large number of vessels that use jig gear and hold LLP licenses participate in the State waters Pacific cod fisheries, but not in the parallel and Federal waters fisheries. This suggests that LLP licenses may not be the most important factor limiting jig participation in the Federal fisheries. The timing of the Pacific cod A and B seasons may limit these vessels from participating in the parallel and Federal fisheries in the GOA. If Pacific cod sector allocations are implemented, jig vessels could potentially fish later in the A season, or possibly year-round in State and Federal waters, if the State and Federal jig allocations are jointly managed.

**Table 2-32 Number of vessels with Pacific cod catch using jig gear in the parallel and Federal fisheries in the Western and Central GOA during 2000-2007, and their LLP status.**

Year	Central GOA						Western GOA					
	<58 feet		58-59 feet		$\geq 60$ feet		<58 feet		58-59 feet		$\geq 60$ feet	
	LLP	No LLP	LLP	No LLP	LLP	No LLP	LLP	No LLP	LLP	No LLP	LLP	No LLP
2000	5	11	0	1	0	0	3	1	0	0	0	0
2001	4	11	0	0	0	0	3	14	0	0	0	0
2002	2	4	0	0	1	0	8	20	1	0	0	1
2003	5	7	0	0	0	0	4	7	0	0	0	0
2004	7	26	0	0	0	2	8	15	0	0	0	0
2005	5	19	0	1	1	2	1	5	0	0	0	0
2006	6	16	0	0	1	1	0	1	0	0	0	0
2007	5	12	0	1	1	0	2	2	0	0	0	0

Source: ADFG fish tickets and RAM Groundfish license file, October 2008. Note: Includes all Pacific cod catch (both directed and incidental).

**Table 2-33 Number of fixed gear catcher vessel licenses meeting the landings and catch thresholds with jig landings during 2000-2006, reported by the MLOA on the license.**

Western GOA		<40 feet	40-49 feet	50-57 feet	≥58 feet
All Groundfish	1 landing	1	3	2	7
	3 landings	1	2	2	2
	5 landings	1	1	2	1
	5 mt	0	*	*	*
	10 mt	0	*	*	*
	25 mt	0	*	*	0
	100 mt	0	0	0	0
Directed cod	1 landing	1	3	2	3
	3 landings	1	2	2	2
	5 landings	1	1	2	1
	5 mt	0	*	*	*
	10 mt	0	*	*	*
	25 mt	0	*	*	0
	100 mt	0	0	0	0
Central GOA		<40 feet	40-49 feet	50-57 feet	≥58 feet
All Groundfish	1 landing	4	18	9	14
	3 landings	1	8	4	6
	5 landings	1	3	3	4
	5 mt	*	*	*	*
	10 mt	0	*	0	*
	25 mt	0	*	0	0
	100 mt	0	0	0	0
Directed cod	1 landing	3	8	4	4
	3 landings	1	4	2	2
	5 landings	1	3	1	2
	5 mt	*	*	*	*
	10 mt	0	*	0	*
	25 mt	0	0	0	0
	100 mt	0	0	0	0

Source: ADFG Fish Tickets and RAM Groundfish license file, October 2008. \*Withheld for confidentiality.

## 2.5.8 Exemption during Western GOA B season

In Component 2, the Council considered an option to exempt vessels using fixed gear from the Pacific cod endorsement requirement during the Western GOA Pacific cod B season. Under a suboption, only vessels using pot gear would be exempted. Vessels would be required to hold a Western GOA fixed gear CV or CP license to participate in the fishery, but would not be required to have a Pacific cod endorsement on the license. The rationale for this exemption is that the Western GOA B season TAC has not been fully harvested since 2001, when Steller sea lion management measures were implemented and the TAC was seasonally apportioned between the A season (60%) and B season (40%). The intent of the exemption is to increase fishing opportunities during the B season and to increase the likelihood of fully harvesting the TAC. The proportion of the Western GOA B season inshore TAC and offshore TAC that was harvested during 2003 through 2008 is reported in Table 2-34. During most years, less than 50% of the B season TAC was harvested, although when A season overages are accounted for (e.g., more than 100% of the inshore TAC A season was harvested in 2003 through 2006), the amount of unharvested B season TAC is reduced.

**Table 2-34 Pacific cod catch during the A and B seasons by the inshore and offshore sectors in the Western GOA, 2003-2008**

Year	Inshore						Offshore					
	A season			B season			A season			B season		
	TAC	Catch	Percent harvested	TAC	Catch	Percent harvested	TAC	Catch	Percent harvested	TAC	Catch	Percent harvested
2003	8,343	10,057	120.5%	5,562	3,972	71.4%	927	2040	220.1%	618	165	26.7%
2004	9,157	10,536	115.1%	6,104	3,738	61.2%	1017	626	61.6%	679	655	96.5%
2005	8,471	10,298	121.6%	5,647	1,686	29.9%	941	123	13.1%	628	300	47.8%
2006	10,876	12,299	113.1%	7,251	1,349	18.6%	1208	666	55.1%	806	429	53.2%
2007	10,876	10,836	99.6%	7,251	1,430	19.7%	1208	643	53.2%	806	500	62.0%
2008	10,502	10,577	100.7%	7,002	2,875	41.1%	1,167	1,190	102.0%	778	277	35.6%

Source: NMFS catch reports.

During recent years, the Western GOA B season has remained open to all fixed gear vessels until the end of the calendar year, with the exception of years when the hook-and-line season was closed because the hook-and-line sector reached its halibut PSC limit (see Table 2-35). Typically, the majority of B season effort in the Western GOA Pacific cod fishery occurs in September and October. Table 2-36 shows the amount of inshore and offshore Pacific cod TAC remaining on Sept 1, during 2003 through 2008, including any remaining A season TAC that was rolled over (added) to the B season, and any A season overages that were subtracted from the B season TAC. Most B season harvests have occurred prior to Nov 1, although during most years, some vessels have continued to fish until the end of the calendar year.

Table 2-37 reports inshore and offshore harvests by fixed gear vessels during the B season in the Western GOA from 2003 through 2008. The table shows that the majority of Western GOA B season harvests have been made by catcher vessels that used pot gear. Catches and participation are highest during September and decrease in later months. If the Council chooses the minimum threshold of 1 directed Pacific cod landing during 2000 through Dec 8, 2008, 110 Western GOA CV licenses and 24 Western GOA CP licenses would qualify for a Pacific cod endorsement. If the 1 landing threshold is selected, the proposed B season exemption would apply to the estimated 154 Western GOA CV licenses and 7 Western GOA CP licenses that do not qualify for a Pacific cod endorsement. If a higher threshold is selected, more licenses could participate in the fishery as a result of the exemption. These licenses would be eligible to fish in the Western GOA directed Pacific cod fishery under the proposed exemption, either using any fixed gear type or using pot gear only.

Increased effort during the B season by vessels that do not hold Pacific cod endorsed licenses is not perceived to have the potential to erode B season catches of participants that hold endorsed licenses, because the Western GOA B season TAC has not been fully utilized in recent years. However, if vessels using hook-and-line gear that do not have a Pacific cod endorsement are allowed to participate in the B season, an increase in hook-and-line participation would likely result in an increase in the amount of halibut PSC, and could potentially result in the halibut PSC limit being reached earlier in the B season. The hook-and-line halibut PSC limit applies to the entire GOA management area, and an increase in hook-and-line effort in the Western GOA during the B season could have a direct impact on hook-and-line participants in the entire GOA. There is a suboption to apply the Western GOA B season exemption to vessels using pot gear only. Under this suboption, there would be increased opportunity for vessel participation using pot gear. Pot vessels are not subject to halibut PSC limits, and an increase in Western GOA B season pot vessel effort is not likely to have a direct impact on participants in other GOA management areas.

**Table 2-35 Pacific cod B season closures for the trawl and hook-and-line sectors in the Western GOA.**

Area	Inshore			Offshore		Inshore		Offshore	
	Year	Date	Reason	Date	Reason	Date	Reason	Date	Reason
Western GOA	2001	21-Oct	HAL	21-Oct	HAL	4-Sep	HAL	4-Sep	HAL
	2002	13-Oct	HAL	3-Oct	TAC	23-Nov	TAC	3-Oct	TAC
	2003	12-Sep	HAL	not opened	TAC	25-Sep	TAC	not opened	TAC
	2004	10-Sep	HAL	10-Sep	HAL	2-Oct	HAL	2-Oct	HAL
	2005	4-Sep	HAL	4-Sep	HAL	31-Dec	REG	31-Dec	REG
	2006	8-Oct	HAL	8-Oct	HAL	31-Dec	REG	31-Dec	REG
	2007	1-Nov	SSL reg	1-Nov	SSL reg	31-Dec	REG	31-Dec	REG
	2008	1-Nov	SSL reg	1-Nov	SSL reg	16-Oct	HAL	16-Oct	HAL
Central GOA	2001	21-Oct	HAL	21-Oct	HAL	4-Sep	HAL	4-Sep	HAL
	2002	1-Sep	HAL	8-Oct	TAC	26-Sep	TAC	8-Oct	TAC
	2003	3-Sep	TAC	14-Oct	TAC	3-Sep	TAC	14-Oct	TAC
	2004	10-Sep	HAL	10-Sep	HAL	2-Oct	HAL	2-Oct	HAL
	2005	4-Sep	HAL	4-Sep	HAL	31-Dec	REG	31-Dec	REG
	2006	8-Oct	HAL	8-Oct	HAL	31-Dec	REG	31-Dec	REG
	2007	1-Nov	SSL reg	1-Nov	SSL reg	31-Dec	REG	31-Dec	REG
	2008	3-Oct	TAC	1-Nov	SSL reg	3-Oct	TAC	16-Oct	HAL

**Table 2-36 Inshore and offshore catch of Pacific cod during the B season in the Western GOA.**

Year	Inshore B season TAC available on Sept. 1 (mt)**	Catch from Sept 1 - Oct 31		Inshore B season TAC available on Nov. 1 (mt)	Catch from Nov 1 - Dec 31		Inshore B season TAC available on Dec. 31 (mt)
		mt	% of B season TAC		mt	% of B season TAC	
2003	3662	3786	103%	0	1	0%	0
2004	4665	3427	73%	1,238	258	6%	980
2005	3753	1396	37%	2,357	233	6%	2124
2006	5800	458	8%	5,342	865	15%	4477
2007	7224	1184	16%	6,040	181	3%	5859
2008	6896	2281	33%	4,615	492	7%	4123
Year	Offshore B season TAC available on Sept. 1 (mt)**	mt	% of B season TAC	Offshore B season TAC available on Nov. 1 (mt)	mt	% of B season TAC	Offshore B season TAC available on Dec. 1 (mt)
2003	0	28	n/a	0	0	n/a	0
2004	867	452	52%	415	0	0%	415
2005	1384	238	17%	1,146	0	0%	1146
2006	1282	168	13%	1,114	196	15%	918
2007	1225	309	25%	916	45	4%	871
2008	640	123	19%	517	16	3%	501

Source: NMFS Catch Accounting. \*\* May exceed the initial 40% B season apportionment when unused A season TAC was rolled over to the B season, or may be less than the initial 40% B season apportionment if there was an A season overage.

**Table 2-37 Inshore and offshore participation and catch (mt) of Pacific cod by fixed gear vessels in the Western GOA during the B season months.**

	Year	Month	Hook-and-line CP		Hook-and-line CV		Jig CV		Pot CP		Pot CV		
			Vessels	Catch	Vessels	Catch	Vessels	Catch	Vessels	Catch	Vessels	Catch	
Inshore	2003	Sept	2	*	15	6	9	46	1	*	41	2,917	
		Oct	0	0	6	1	0	0	0	0	2	*	
		Nov	0	0	4	0	0	0	0	0	0	0	
	2004	Sept	2	*	19	7	4	56	0	0	25	2,472	
		Oct	1	*	15	2	2	*	0	0	17	348	
		Nov	0	0	3	4	1	*	1	*	6	134	
		Dec	0	0	0	0	0	0	1	*	0	0	
	2005	Sept	1	*	11	11	1	*	0	0	15	880	
		Oct	0	0	19	9	1	*	0	0	14	431	
		Nov	0	0	8	20	0	0	0	0	4	44	
		Dec	2	*	3	34	0	0	0	0	1	*	
	2006	Sept	0	0	26	12	0	0	0	0	4	132	
		Oct	5	128	14	6	1	*	0	0	5	99	
		Nov	5	700	6	18	1	*	0	0	5	127	
		Dec	0	0	2	*	0	0	0	0	2	*	
	2007	Sept	0	0	21	9	1	*	0	0	9	422	
		Oct	2	*	9	18	3	1	0	0	12	424	
		Nov	0	0	7	6	0	0	0	0	5	138	
		Dec	1	*	0	0	0	0	0	0	4	32	
	2008	Sept	3	200	28	184	6	25	0	0	11	769	
		Oct	4	261	18	85	4	18	0	0	11	586	
		Nov	0	0	4	8	2	*	0	0	7	483	
	Offshore	2003	Sept	0	0	0	0	0	0	0	0	0	0
			Oct	0	0	0	0	0	0	0	0	0	0
2004		Sept	2	*	0	0	0	0	0	0	0	0	
		Oct	2	*	0	0	0	0	0	0	0	0	
2005		Sept	3	234	0	0	0	0	0	0	0	0	
2006		Sept	1	*	0	0	0	0	0	0	0	0	
		Oct	4	151	0	0	0	0	0	0	0	0	
		Nov	4	196	0	0	0	0	0	0	0	0	
2007		Sept	0	0	0	0	0	0	0	0	0	0	
		Oct	2	*	0	0	0	0	0	0	0	0	
		Nov	0	0	2	*	0	0	0	0	1	*	
		Dec	0	0	1	*	0	0	0	0	1	*	
2008		Sept	0	0	0	0	0	0	0	0	0	0	
		Oct	0	0	0	0	0	0	0	0	0	0	
		Nov	0	0	0	0	0	0	0	0	0	0	

Source: NMFS Catch Accounting. Includes retained and discarded catch, and incidental catch in other target fisheries.

## 2.5.9 Exemption for participants in informal halibut PSC cooperative

In Component 3, there is an option to exempt from the catch or landings thresholds catcher processor licenses assigned to vessels that voluntarily stood down from the GOA Pacific cod fisheries, as part of the informal halibut PSC cooperative in 2006, 2007, or 2008. The rationale for the exemption is that these licenses did not have directed Pacific cod landings during these years because they voluntarily stood down from the GOA Pacific cod fishery so that other hook-and-line vessels had the opportunity to participate in the fishery. Most of the freezer longliner fleet fishes for Pacific cod in the BSAI, then moves into the GOA, after the BSAI Pacific cod seasons close. In 2005, the BSAI freezer longliner fleet did not fish in the GOA during the B season, because NMFS inseason management was concerned that there was not sufficient halibut PSC to support this fleet. As a result, in 2006, 2007, and 2008, the freezer longliners set up an informal ‘PSC co-op’ with NMFS inseason management during the B season, and

also during the 2008 A season. Under this arrangement, during the B season, the third seasonal apportionment of halibut PSC was informally divided between catcher processors and catcher vessels. The freezer longliners then further divided the catcher processor PSC among vessels fishing the B season.

There are 28 hook-and-line catcher processor licenses that participated in the informal PSC cooperative during 2006, 2007, or 2008, and 26 of these licenses voluntarily stood down from fishing in the GOA during at least one of these years. The 26 licenses include 22 Central GOA endorsed vessels and 16 Western GOA endorsed licenses. Under the proposed exemption, any of the 26 catcher processor licenses that do not meet the landings thresholds in the directed Pacific cod fishery would qualify for a hook-and-line Pacific cod endorsement. However, licenses that receive an endorsement as a result of the exemption would be limited to participating in the offshore processing sector.

Depending on the landings or catch threshold selected, 10 to 17 Central GOA licenses and up to 4 Western GOA licenses would receive Pacific cod endorsements as a result of this exemption (see Table 2-38). The actual number of licenses that qualify under the exemption depends on the threshold selected by the Council. In the absence of the exemption, these CP licenses would not qualify for a hook-and-line Pacific cod endorsement. If the GOA Pacific cod TACs are allocated to the sectors, these licenses would be eligible to fish off the hook-and-line CP allocation. The exemption would effectively increase the number of licenses eligible to fish off the hook-and-line CP allocation; participation by these licenses would not directly impact other sectors. If the GOA Pacific cod TACs are not allocated to the sectors, the CP licenses that receive a hook-and-line endorsement as a result of the exemption would compete with other vessels for access to the offshore TACs. As a result, in the absence of Pacific cod sector allocations, the exemption could have direct impacts on catches of other vessels participating in the offshore sector.

**Table 2-38 Number of fixed gear CP licenses that would qualify for a Pacific cod endorsement under the exemption for participants in the informal halibut PSC cooperative during 2006 through 2008, because they do not meet the landings or catch thresholds during the qualifying periods.**

**Western Gulf (16 licenses participated in stand down)**

	2000- Dec 2008		2000- June 2008		2000-2006		2002- Dec 2008		2002- June 2008		2002-2006	
	<125	≥125	<125	≥125	<125	≥125	<125	≥125	<125	≥125	<125	≥125
1 landing	0	1	0	1	0	1	0	1	0	1	0	2
3 landings	0	1	0	1	0	1	0	2	0	2	1	2
5 landings	0	2	0	2	0	3	0	3	0	3	1	3
5 mt	*	3	*	3	0	*	0	*	0	*	0	*
10 mt	*	3	*	3	0	*	0	*	0	*	0	*
25 mt	3	3	3	3	0	3	0	3	0	3	0	3
100 mt	3	3	3	3	0	3	0	3	0	3	0	3

**Central GOA (22 licenses participated in stand down)**

	2000- Dec 2008		2000- June 2008		2000-2006		2002- Dec 2008		2002- June 2008		2002-2006	
	<125	≥125	<125	≥125	<125	≥125	<125	≥125	<125	≥125	<125	≥125
1 landing	3	7	3	7	6	8	3	7	3	7	6	8
3 landings	4	7	4	7	7	8	4	7	4	7	7	8
5 landings	6	9	6	9	7	9	7	9	7	9	8	9
5 mt	3	7	3	7	6	8	4	7	4	7	7	8
10 mt	4	7	4	7	7	8	4	7	4	7	7	8
25 mt	4	7	4	7	7	8	4	7	4	7	7	8
100 mt	4	8	4	8	7	9	5	8	5	8	8	9

Source: NMFS Catch Accounting/Blend and RAM groundfish license file, Dec 2008.

## 2.5.10 Other exemptions considered

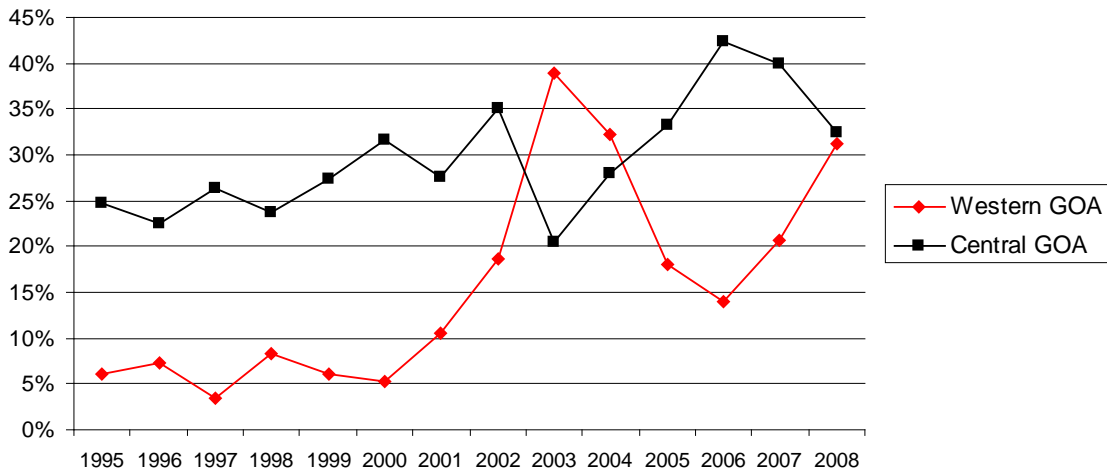
The Council considered, but rejected, an option to exempt vessels that are both under 60 ft and under a capacity limit (to be determined by the Council) from the Pacific cod endorsement requirement. Currently, vessels less than 26 ft LOA are exempt from the LLP requirement in the GOA. The Council has proposed expanding opportunities for entry-level vessels, by exempting all vessels using jig gear from the LLP requirement in the GOA. In the BSAI, vessels less than 60 ft LOA using pot or hook-and-line gear are exempt from the BSAI Pacific cod endorsement requirement. The less than 60 ft LOA fixed gear fleet in the BSAI has historically been very small, and under Amendment 85, this sector received an allocation of 2% of the BSAI Pacific cod TAC. However, during recent years, the number of vessels fishing in the less than 60 ft pot and hook-and-line sector has doubled, from 25 vessels in 2004, to 50 vessels in 2007.

The less than 60 ft LOA fixed gear fleet is relatively large in the GOA, and in recent years has harvested nearly 40%, and more than 40% of the Western GOA and Central GOA Pacific cod catch, respectively (Fig 2-1). The majority of fixed gear licenses with Western and/or Central GOA endorsements have MLOA designations of less than 60 ft. Exempting all vessels less than 60 ft MLOA from the Pacific cod endorsement requirement would mean that as many as 456 CGOA and 74 WGOA fixed gear CV licenses with less than 60 ft MLOAs that do not have any qualified landings during 2000 through Dec 8, 2008, could enter the GOA Pacific cod fisheries (Table 2-39). If sector allocations are established, these vessels would fish off the less than 60 ft LOA Pacific cod sector allocations to fixed gear vessels. Entry into the fisheries by these latent licenses could result in a substantial influx of effort into these sectors.

One concern that was expressed in public testimony is that smaller vessels may be less likely to meet the landings and catch thresholds. Table 2-39 and Table 2-40 report the number of licenses that meet the various landings and catch thresholds, summarized by the MLOA designation on each license. Overall, Central GOA licenses with MLOA designations of less than 50 feet were more likely to have at least one directed Pacific cod landing than licenses with larger MLOA designations. In the Western GOA, no licenses with MLOA designations of less than 50 ft meet the highest catch threshold (100 mt). In the Central GOA, 51 to 57 licenses with MLOA designations of less than 50 ft meet the 100 mt threshold.

If total catch (mt), rather than number of landings, is used to determine which licenses meet the qualification thresholds for retaining Central and Western GOA endorsements, or for receiving a Pacific cod endorsement, the Council may wish to consider setting lower catch thresholds for licenses with small MLOAs. Such an approach may be desirable if these licenses have actively participated in the fisheries during the qualifying period, but were less likely to meet the higher catch thresholds. This approach may also be appropriate if opportunities in the parallel and State waters fisheries are perceived to be inadequate. Participants wishing to enter fisheries in Federal waters would need to purchase an LLP license, and the availability of licenses allowing for that entry is needed to achieve this goal. In developing this action, the Council will need to balance the interests of those wishing to limit entry to the fixed gear groundfish fisheries, against the interests of creating adequate opportunities for future entrants.





**Figure 2-1 Percent of retained Pacific cod catch harvested by <60 ft LOA vessels using fixed gear in the Western GOA and Central GOA during 1995-2008.**

**Table 2-39 Percent of licenses with at least one directed Pacific cod landing, by MLOA on license.**

MLOA on license	Number of licenses	Western Gulf			Central Gulf			
		Percent with at least one fixed gear landing in the endorsement area			Percent with at least one fixed gear landing in the endorsement area			
		2000- Dec 2008	2000- June 2008	2000- 2006	Number of licenses	2000- Dec 2008	2000- June 2008	2000- 2006
<40 ft MLOA	13	23%	23%	4%	64	33%	33%	30%
40- 49 ft MLOA	22	27%	23%	23%	182	50%	49%	47%
50- 59 ft MLOA	119	60%	60%	54%	456	29%	28%	24%
≥60 ft MLOA	110	27%	25%	21%	181	33%	33%	30%

Source: ADFG Fish Tickets and RAM groundfish LLP license file, December 2008

**Table 2-40 Number of fixed gear catcher vessel licenses meeting qualification thresholds reported by the MLOA on the license.**

**Western GOA- 264 CV licenses**

	2000-December 8, 2008				2000-June 4, 2008				2000-2006			
	<40 feet	40-50 feet	50-60 feet	≥60 feet	<40 feet	40-50 feet	50-60 feet	≥60 feet	<40 feet	40-50 feet	50-60 feet	≥60 feet
1 landing	3	6	71	30	3	5	71	27	1	5	64	23
3 landings	3	5	64	28	3	4	63	25	1	4	55	23
5 landings	3	3	60	25	3	3	58	23	1	2	52	19
5 mt	3	5	67	30	*	*	67	27	0	3	60	22
10 mt	*	*	64	28	*	*	63	26	0	*	56	*
25 mt	*	*	60	27	*	*	59	26	0	*	52	*
100 mt	0	0	47	21	0	0	44	19	0	0	37	18

Source: ADFG Fish Tickets (2000-2007), NMFS Catch Accounting (2008) and RAM LLP groundfish license file, December 2008. \*Withheld for confidentiality

**Central GOA- 883 CV licenses**

	2000-December 8, 2008				2000-June 4, 2008				2000-2006			
	<40 feet	40-50 feet	50-60 feet	≥60 feet	<40 feet	40-50 feet	50-60 feet	≥60 feet	<40 feet	40-50 feet	50-60 feet	≥60 feet
1 landing	21	91	134	60	21	89	127	60	19	86	109	55
3 landings	20	85	115	52	20	84	110	52	18	80	93	49
5 landings	19	76	107	47	19	75	105	47	17	71	88	43
5 mt	20	83	117	53	20	82	112	53	18	78	93	48
10 mt	18	75	110	52	18	74	106	52	16	69	91	47
25 mt	15	61	99	46	15	61	98	46	15	57	77	41
100 mt	13	44	76	38	13	43	75	38	12	39	65	35

Source: ADFG Fish Tickets (2000-2007), NMFS Catch Accounting (2008) and RAM LLP groundfish license file, December 2008.

**2.5.11 Hardship provision**

In past actions, the Council has adopted hardship provisions to make exceptions from participation requirements when unavoidable circumstances have precluded vessels from participating in a fishery. The proposed action would require licenses to have directed Pacific cod landings during the years following implementation of the LLP, in order to qualify for a Pacific cod endorsement. Fishing under the LLP began in 2000. In some cases, the vessel that made the qualifying catch that gave rise to a license, and was originally assigned to the license, sank prior to or shortly after implementation of the LLP. The Council recognized that under these circumstances, a license may not have qualifying catch during the required time period. As a result, there is a hardship provision in Component 4 that would allow a license to qualify for a Pacific cod endorsement if the license had 5 or more Pacific cod landings in 1999, but was assigned to a vessel that sank in 1999 or 2000. These licenses will be credited with their catch history during the 1999 fishery, in order to qualify for a Pacific cod endorsement.

According to the U.S. Coast Guard vessel losses database, there were 50 commercial fishing vessels that sank during 1999 or 2000 off Alaska. Additional vessels that hold fixed gear licenses may have sunk in other regions, but are not accounted for here. Out of the 50 vessels that sank in 1999 or 2000, at least 5 vessels were original qualifying vessels on a Western or Central GOA fixed gear license. At least 3 of the 5 vessels had at least 5 fixed gear landings in the directed Pacific cod fishery in 1999, in the Central GOA. The licenses that were assigned to these vessels were not later reassigned to another vessel, and do not qualify, based on catch made after 1999.

In sum, the proposed hardship provision would allow an estimated 3 licenses that have not participated in the GOA Pacific cod fisheries since 1999, to qualify for a Pacific cod endorsement. All three of the licenses would qualify in the Central GOA based on landings in 1999. Although these licenses have not participated in the fishery for a long period of time, the Council is considering options to establish a qualifying period that extends back to either 2000 or 2002. If the Council chooses a qualifying period that starts in 2000, there will likely be some licenses that qualify based on landings during 2000, and do not have landings in more recent years, similar to the licenses that would qualify under the hardship provision.

**2.5.12 Component 5 – Stacked licenses**

The Council addressed the issue of ‘stacked’ licenses (i.e., more than one license assigned to a single vessel) in Component 5. Licenses are stacked for several reasons, most often to increase the number of areas that a vessel can fish, by adding area endorsements. A vessel may also hold multiple LLPs to increase the number of gear or operation type endorsements it holds or to gain access to a fishery that requires a species and gear-specific endorsement, such as the BSAI fixed gear Pacific cod fishery. Stacking licenses is necessary, because endorsements are not severable under the current LLP. If a vessel

wishes to expand its operations into a new area or fishery and does not have the necessary endorsements on its current license, it needs to obtain another license with the appropriate area endorsement.

The Council considered several approaches to crediting catch to stacked licenses. Based on staff analysis and its own deliberations, the Council adopted a provision in Component 5 that credits catch to each license, if each was stacked on a single vessel at the time the landing was made. The rationale for this approach is that, currently, groundfish catch is not assigned to a specific license. When vessels report catch on Fish Tickets or Weekly Production Reports, they are not required to report the LLP license that was assigned to the vessel at the time of landing. This data gap is problematic, because, if a vessel holds multiple LLPs with duplicate area endorsements, and the vessel makes a landing in that area, there are no clear rules specifying which license is credited with that catch. Apportioning history among 2 or more stacked licenses would require the Council to develop detailed rules describing how catch should be apportioned, which could complicate and possibly delay implementation of the action. The Council took the same approach in the trawl recency action, and fully credited stacked licenses with all catch history. The landings threshold selected for the trawl recency action was low (2 landings), and it was not clear that apportioning landings among stacked licenses would have a sufficient impact on the number of qualifying licenses to justify complicating the action by creating specific rules for stacked licenses.

In past actions, the Council has apportioned catch history among stacked licenses. For example, the Amendment 80 allocations were calculated by splitting catch evenly among all licenses held by a vessel at the time of landing. Under Amendment 67, a vessel with stacked licenses could only qualify for a Pacific cod endorsement on a single license. This provision was included to avoid increasing the opportunity for unwanted entry into the fishery. In the absence of a provision that limits vessels with stacked licenses from qualifying for duplicate Pacific cod endorsements, vessels with duplicate endorsements could potentially sell those licenses to other vessels, resulting in an overall increase in licensed participants in the Western and Central GOA Pacific cod fixed gear fisheries.

However, there are several complications that could arise if the Council chooses to apportion catch history among licenses. For example, if a vessel has two stacked licenses, and catch is split evenly between the two licenses, it is possible that neither license would meet the qualification threshold selected by the Council. The Council could include a provision that would give the license owner(s) the opportunity to choose which license would be credited with landings, so that one of the stacked licenses could qualify. In the absence of an agreement among license owners, catch history could be split evenly. If a catcher processor license is stacked with a catcher vessel license, and there are different qualification criteria for these operation types, the license owners could potentially choose to split history between the two licenses, so that both licenses qualify, thus, effectively negating the Council's apportionment scheme.

The proposed fixed gear action differs in several respects from the trawl recency action. The current set of options under consideration include relatively minimal landings thresholds (1, 3, or 5 landings), but there are also tonnage thresholds (5, 10, 25, or 100 mt) that could potentially be selected. If the Council chooses a minimal landings threshold, double counting catch history is unlikely to result in many stacked licenses qualifying that would not qualify if catch were apportioned among stacked licenses. However, if the Council chooses more substantial catch thresholds, some stacked licenses would likely benefit from double counting of catch. If vessels with stacked licenses qualify for duplicate fixed gear Pacific cod endorsements on stacked licenses, they could potentially lease or sell the duplicate licenses. In such instances, the fleet's capacity could increase, although presumably not substantially, since, if there existed economic incentives (i.e., fishing mobility and flexibility) for "stacking licenses" previously, those incentives would likely continue to exist post-action.

There are currently 18 stacked Western GOA catcher vessel licenses (assigned to 9 vessels, each with 2 licenses) and 98 stacked Central GOA catcher vessel licenses (assigned to 47 vessels; 43 vessels have 2

licenses, and 4 vessels have 3 licenses; Table 2-41). These totals only include fixed gear licenses that are currently stacked with other fixed gear licenses that have duplicate Western and/or Central GOA area endorsements. There is also one Central GOA catcher processor license that is currently stacked with a Central GOA catcher vessel license. There are no fixed gear catcher processor licenses with Western or Central GOA endorsements currently stacked with other catcher processor licenses, and agency records indicate that no GOA fixed gear CP licenses have been stacked in the past. Of the currently stacked licenses, 8 Western GOA licenses and 47 Central GOA licenses have at least one qualified fixed gear landing, during 2000 through 2006. These currently stacked licenses, in addition to licenses that were stacked in the past, are potentially the universe of licenses at issue, if the Council chooses to develop rules to apportion landings among stacked licenses.

**Table 2-41 Number of currently stacked fixed gear catcher vessel licenses with Western and/or Central GOA area endorsements.**

Area endorsement	Number of stacked licenses	Number of stacked licenses with at least one qualified fixed gear landing during 2000-2006
Central GOA	98	47 <sup>1</sup>
Western GOA	18	8 <sup>2</sup>

Source: ADFG Fish Tickets and RAM groundfish LLP license file, December 2008

1 Licenses are stacked on 23 vessels. 22 vessels have 2 licenses, and 1 vessel has 3 licenses

2 Licenses are stacked on 4 vessels, each with 2 licenses

In sum, the Council’s current motion for the proposed action credits catch to both licenses, if they were stacked on a single vessel at the time the landing was made, and all of the license tables in this document fully credit all catch to stacked CV licenses. Table 2-42 compares the number of licenses that qualify when catch history is divided evenly among stacked CV licenses to the number that qualify when catch history is fully credited to stacked licenses. Few Western GOA fixed gear licenses are stacked, and Table 2-42 shows that in most cases, the same number of licenses qualify when stacked history is split among licenses. In contrast, a large number of active Central GOA licenses are stacked, and splitting catch history among stacked licenses reduces the total number of licenses that qualify under each of the options. For example, at the 1 landing threshold, 269 Central GOA licenses qualify during 2000 through 2006, when catch is fully credited to stacked licenses, compared with 268 licenses when history is split among stacked licenses. At the 100 mt threshold for directed Pacific cod, 151 Central GOA licenses qualify when catch history is fully credited to all stacked licenses, and 139 licenses qualify when history is divided among stacked licenses. Dividing catch history makes more of a difference when the qualifying period extends to June 4, 2008. For example, 297 Central GOA licenses qualify at the 1 landing threshold when landings are fully credited to stacked licenses. Of these, 289 Central GOA licenses qualify when catch history is divided among stacked licenses.

In order to treat stacked licenses in a different way, there are a number of questions that would need to be addressed, including:

(1) What is the definition of a stacked license? Currently, the assumption is that licenses are stacked, for the purpose of the proposed action, if 2 or more licenses assigned to a single vessel at any point in time all have: (a) fixed gear designations, and (b) at least one duplicate area endorsement (Western GOA or Central GOA). Stacked licenses may have different operation type designations (i.e., one license could have a catcher vessel designation and the other a catcher processor designation). Stacked licenses may have additional area endorsements (e.g., AI, BS, SE), a trawl designation, and BSAI Pacific cod endorsements that do not duplicate each other.

(2) What are the rules for apportioning catch among stacked licenses? Catch could simply be split evenly among stacked licenses (as the default rule), or license owners could be given the option to agree upon another method for apportioning catch. These rules would not only apply to licenses that are stacked at the time this action is implemented, they would also apply retroactively (to 2000 or 2002, depending upon the qualification period selected) to any fixed gear licenses that were stacked at any point in time. If license owners are given the opportunity to choose how catch will be apportioned, implementation of the action would likely be delayed. Even if a default rule is used, and catch is split evenly among stacked licenses, apportioning catch would complicate implementation of the action.

(3) How would the Council address ownership issues? Stacked licenses may be held by different persons, and the vessel assigned to those licenses may be owned by another person. Stacked licenses may not be connected in any way except through the vessel assigned to those licenses. License owners may enter into temporary partnerships to combine the endorsements and designations on their licenses and maximize their opportunities to participate in the fisheries. If the Council simply splits catch history evenly among stacked licenses for the purpose of the proposed action, it could avoid the complications that could arise if multiple license owners were allowed to choose which license is credited with catch history. On the other hand, arbitrarily splitting catch equally among licenses may impose severe, unjustified, and uncompensated economic hardships on some license holders.

**Table 2-42 Number of qualifying CV licenses when catch is fully credited to all licenses, and when catch is divided among stacked licenses.**

<b>Western GOA</b>								
	Landings fully credited to stacked licenses				Landings divided equally among stacked licenses			
	2000-2006	2002-2006	2000-June 4, 2008	2002-June 4, 2008	2000-2006	2002-2006	2000-June 4, 2008	2002-June 4, 2008
1 landing	94	83	107	97	94	82	107	96
3 landings	83	76	96	91	83	76	91	86
5 landings	74	68	90	85	74	68	84	78
5 mt	85	77	101	95	85	77	101	94
10 mt	79	73	94	90	79	73	92	86
25 mt	74	66	88	82	74	66	86	80
100 mt	55	54	62	62	55	54	60	58

<b>Central GOA</b>								
	Landings fully credited to stacked licenses				Landings divided equally among stacked licenses			
	2000-2006	2002-2006	2000-June 4, 2008	2002-June 4, 2008	2000-2006	2002-2006	2000-June 4, 2008	2002-June 4, 2008
1 landing	269	198	297	234	268	197	289	224
3 landings	240	179	267	216	238	173	256	203
5 landings	219	164	246	200	215	154	231	182
5 mt	237	180	267	216	237	180	259	208
10 mt	223	171	250	205	223	170	243	196
25 mt	190	154	220	188	185	144	213	176
100 mt	151	110	170	140	139	97	148	111

Source: ADFG Fish Tickets and RAM Groundfish license file, October 2008.

## 2.5.13 Component 6 – Capacity endorsement

As part of the proposed action, the Council considered ways to limit entry of high capacity 58 ft to 60 ft LOA pot and hook-and-line vessels into the GOA Pacific cod fisheries. The problem identified is that new, high capacity 58 ft LOA vessels are being built and are entering the GOA Pacific cod fisheries, and

existing 58 ft LOA vessels are being rebuilt with expanded capacity. Most of these high capacity 58 ft LOA vessels are relatively recent entrants to the GOA Pacific cod fishery. The GOA State waters Pacific cod fisheries limit the proportion of the GHL that may be harvested by vessels greater than 58 ft LOA. This creates an incentive for 58 ft LOA vessels to maximize their hold capacity. In addition, vessels less than 60 ft LOA are presently not required to participate in the Federal Observer Program. For these reasons, the incentive exists for additional vessels in this size class to enter the GOA Pacific cod fisheries. If the GOA Pacific cod TAC is allocated among the sectors and catcher vessel allocations are split at 60 feet, this may leave smaller, lower capacity vessels vulnerable to an influx of effort by high capacity, less than 60 ft LOA vessels.

Participation by high capacity 58 ft to 59 ft vessels in the GOA Pacific cod fishery has increased substantially in recent years. Table 2-43 shows the number and catch history of 58 ft to 59 ft LOA vessels  $\geq 100$  gross tons, and  $< 100$  gross tons, in the Western and Central GOA Pacific cod fisheries during 2001 through 2008. Prior to 2008, there were only 1 or 2 pot or hook-and-line vessels that exceed 100 gross tons participating in the Western and Central GOA Pacific cod fisheries, and catch data for these vessels cannot be reported due to confidentiality restrictions. In 2008, there was an increase in effort by 58 ft to 59 ft LOA vessels in these sectors.

**Table 2-43 Catch by 58 ft to 59 ft LOA vessels less than 100 gross tons and greater than 100 gross tons in the Western and Central GOA.**

<b>Western GOA</b>													
Year	Hook-and-line				Pot				Trawl				
	<100 gross tons		$\geq 100$ gross tons		<100 gross tons		$\geq 100$ gross tons		<100 gross tons		$\geq 100$ gross tons		
	Vessels	Catch	Vessels	Catch	Vessels	Catch	Vessels	Catch	Vessels	Catch	Vessels	Catch	
2003	6	14	0	0	21	3,384	1	*	21	717	3	*	
2004	9	14	0	0	29	2,702	2	*	18	1,255	2	*	
2005	14	65	1	*	22	654	2	*	22	3,213	2	*	
2006	11	60	1	*	15	734	0	0	22	3,813	2	*	
2007	17	155	1	*	15	872	2	*	23	3,684	2	*	
2008	23	260	3	24	27	1,655	4	530	22	3,897	3	693	
<b>Central GOA</b>													
2003	24	522	1	*	11	998	0	0	8	414	1	*	
2004	27	589	2	*	9	1,464	1	*	5	61	1	*	
2005	30	550	2	*	9	2,044	1	*	4	3	0	0	
2006	28	1,514	1	*	15	2,587	1	*	4	34	0	0	
2007	39	1,378	2	*	21	3,201	2	*	2	*	0	0	
2008	50	1,421	6	507	17	2,024	4	174	1	0	2	*	

Source: ADFG Fish Tickets (2003-2007) and NMFS Catch Accounting (2008).

The vessel capacity metrics that the Council identified for analysis are (1) length-to-width ratio and (2) simple gross tonnage. Simple gross tonnage is calculated using the length overall, width, and depth measurements for a vessel.<sup>10</sup> Figures 2-2 and 2-3 show the length-to-width ratio and gross tonnages of vessels 50 ft to 70 ft LOA that participated in the GOA Pacific cod fisheries using pot or hook-and-line gear during 2000 through 2008. Vessel width data are from the U.S. Coast Guard (USCG) vessel database; gross tonnages are from the NMFS Alaska Region's vessel database, and are based on the tonnage reported on the Federal fisheries permit (FFP) application. Vessels that obtain an FFP are required to submit accurate measurements of the vessel's LOA,<sup>11</sup> in feet, registered length in feet, and

<sup>10</sup> Simple gross tonnage = LOA x width x depth x 0.67 for vessels with ship-shaped hulls (46 CFR Subpart E).

<sup>11</sup> The LOA of a vessel is defined as the centerline longitudinal distance, rounded to the nearest foot, measured between: (a) the outside foremost part of the vessel visible above the waterline, including bulwarks, but excluding bowsprits and similar fittings or attachments, and (b) the outside aftermost part of the vessel visible above the

gross tonnage. However, these measurements are self-reported, and no documentation is required to verify the measurements. Vessels that obtain CFEC permits are also required to submit length and tonnage measurements, but these measurements are also self-reported. The USCG maintains a vessel database with length, width, depth, and gross and net tonnage measurements. When vessels initially register with the USCG, they are required to submit documentation to verify these measurements. These existing data sources are incomplete and, in many cases, inconsistent. For example, out of nearly 1,500 vessels that participated in the GOA Pacific cod fishery during 1995 through 2007, half of the CFEC, NMFS, and USCG gross tonnage measurements differ. These data gaps and inconsistencies are a clear indication that a consistent method for measuring width, depth, and gross tonnage needs to be identified, and that existing data sources need to be validated, if capacity is going to be used to limit entry to sectors. This would be a time consuming and expensive project. There is no indication that necessary resources are or will be made available to fulfill this task, in the foreseeable future.

The figures show that a substantial number of 58 ft and 59 ft LOA vessels have gross tonnages that significantly exceed those of similar-sized vessels (i.e., vessels <58 ft or >59 ft LOA). Similarly, many 58 ft and 59 ft LOA vessels have length-to-width ratios that are much smaller than those of similar-sized vessels. A 58 ft LOA vessel with a 3-to-1 length-to-width ratio is approximately 19 ft wide. Figure 2-1 shows that a large proportion of 58 ft and 59 ft LOA vessels have length-to-width ratios outside this ratio, including several vessels with a length-to-width ratio of close to 2, indicating that the vessels are nearly 29 ft wide.

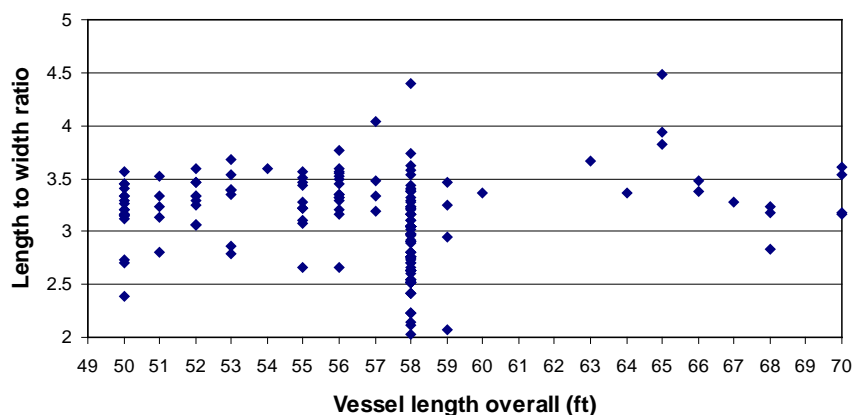


Figure 2-2 Length to width ratio of vessels 50 ft to 70 ft LOA that participated in the directed GOA Pacific cod fisheries using pot or hook-and-line gear during 2000 through 2008.<sup>12</sup>

waterline including bulwarks, but excluding rudders, outboard motor brackets, and similar fittings or attachments (see <http://alaskafisheries.noaa.gov/ram/FFPAPP.pdf>).

<sup>12</sup> Figures 1 and 2 include measurements for 182 vessels. Measurements were not available for 10 vessels.

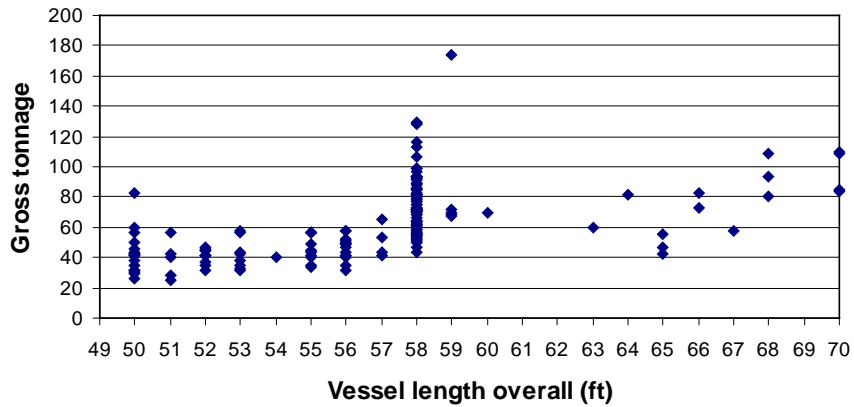


Figure 2-3 Simple gross tonnage of vessels 50 ft to 70 ft LOA that participated in the directed GOA Pacific cod fisheries using pot or hook-and-line gear during 2000 through 2008.

Table 2-44 Length-to-width ratios of 58 ft and 59 ft vessels that used pot or hook-and-line gear in the directed GOA Pacific cod fisheries during 2000 through 2008.

Length-to-width ratio	Vessel count	Percent of total	Gross tonnage	Vessel count	Percent of total
2.00 - 2.25	7	7%	40 - 49	2	2%
2.25 - 2.50	3	3%	50 - 59	15	16%
2.50 - 2.75	22	23%	60 - 69	15	16%
2.75 - 3.00	19	20%	70 - 79	28	30%
3.00 - 3.25	29	31%	80 - 89	15	16%
3.25 - 3.50	9	10%	90 - 99	11	12%
3.50 - 4.00	5	5%	>100	8	9%

Source: ADFG Fish Tickets (catch data); NMFS (vessel length and gross tonnage data); USCG (vessel width data).

#### Vessels 58 ft to 59 ft LOA

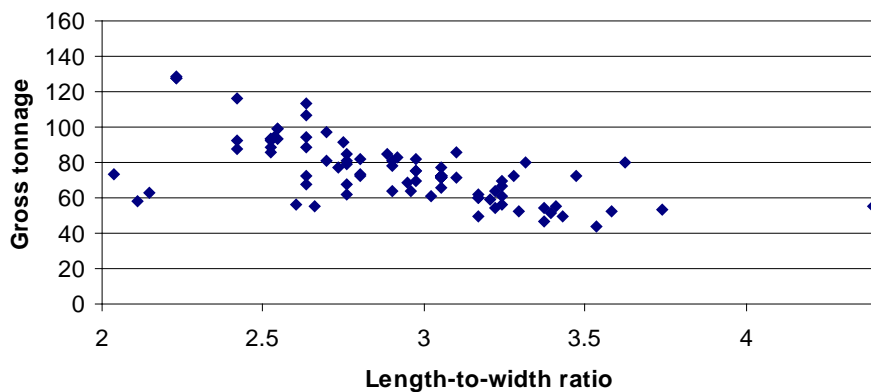


Figure 2-4 Relationship between gross tonnage and length-to-width ratio for 65 vessels 58 ft and 59 ft LOA that participated in the directed GOA Pacific cod fisheries using pot or hook-and-line gear, 2000-2008.



Table 2-44 reports the length-to-width ratios and gross tonnages of 58 ft and 59 ft LOA pot and hook-and-line vessels that participated in the GOA Pacific cod fisheries during 2000 through 2008. More than half (53%) of the 94 vessels have a length-to-width ratio of less than 3. The majority of these vessels have a length-to-width ratio of 2.5 to 3, and only 10 vessels have length-to-width ratios of less than 2.5. A 58 ft LOA vessel with a length-to-width ratio of 2.5 is approximately 23 ft wide. Based on these data, the Council could consider alternatives to the 3-to-1 length to width ratio, proposed in the fixed gear recency motion. There is generally a linear relationship between gross tonnage and the length-to-width ratio (Figure 2-5), indicating that either measurement could be used as the basis of a capacity endorsement to achieve similar results. However, limiting width may provide an incentive for vessels to be built with greater depth, which could impact the safety of these vessels.

Under Component 6, a vessel capacity endorsement (i.e., width or simple gross tonnage) would be added to each CV and CP fixed gear LLP license that is eligible to access Pacific cod under this action. Currently, LLP licenses have a maximum length overall (MLOA) designation, but there is no limit on the width or tonnage of the vessel that may be assigned to a license. The capacity endorsement would provide such a limit, and would preclude new, high capacity 58 ft LOA vessels from entering the GOA groundfish fisheries, and existing vessels from being rebuilt beyond a specified capacity, unless the vessel obtained an LLP with a sufficiently large width or simple gross tonnage endorsement.

Specifically, Component 6 would restrict vessels to 1 ft of width for each 3 ft of length, based on the LOA of the vessel assigned to the license on December 8, 2008. Licenses that were assigned to vessels on December 8, 2008 that exceeded the width restriction will be grandfathered at their present length-to-width ratio. For vessels under construction on December 8, 2008, the width restriction for the license will be equal to the vessel width upon completion. There is also an option under Component 6 to add a simple gross tonnage maximum to licenses, rather than a width restriction. Simple gross tonnage for vessels with ship-shaped and cylindrical hulls is calculated as the product of 0.67 times the length overall, width, and depth of the vessel (46 CFR Subpart E). Vessels would be required to report these measurement(s) to RAM, and RAM would add the width or simple gross tonnage endorsement to each license. A license could not be assigned to a vessel that exceeds the width or simple gross tonnage limit, in addition to the MLOA, on the license.

Several enforcement, regulatory, and safety issues with the proposed capacity endorsement were identified and presented in a separate discussion paper at the April 2009 Council meeting. The paper discussed whether a specific length-to-width ratio was commonly used in naval architecture to determine vessel safety or stability, and the potential implications of a vessel capacity endorsement on vessel safety, more generally. USCG personnel noted that no specific ratio was commonly used in vessel construction, because vessel dimensions incorporate many different factors such as the intended uses of the vessel, fuel efficiency, and overall seaworthiness. USCG personnel could not identify a specific ratio that best represents current vessel construction standards or that would accommodate future vessel construction techniques. Vessel width and tonnage for vessels in the 58 foot and 59 foot length overall range has increased over the past several decades, as vessel owners have built vessels to improve efficiency and address safety considerations, and wider vessels are generally more stable than narrower vessels of the same length, and are more likely to promote safety for vessel operators and crew. USCG personnel expressed concerns that selecting a specific vessel length-to-width ratio and placing such restrictions on an LLP license could limit vessel construction choices available to vessel owners and adversely affect safety. For example, the USCG noted that, if licenses limit vessel length and width, vessels could be constructed with deeper drafts to maximize vessel efficiency. The precise safety implications of such construction techniques are unclear, but adding additional depth or height above the waterline could increase the proportion of the vessel exposed to icing conditions, and adversely affect the vessel's stability through a significant change of its vertical center of gravity.

The USCG has encouraged expanding vessel stability standards to commercial vessels 50 feet in length or greater. These standards would apply only to new construction, and would not affect existing vessels. Current standards apply only to vessels 79 feet in length or greater. The USCG is seeking legislative authority to mandate stability testing for smaller commercial vessels, but the passage of any legislation is uncertain, and any implementing regulations would not be effective for several years. USCG personnel noted that if width restrictions were placed on LLP licenses and vessels were constructed to comply with these restrictions, those vessel construction techniques could conflict with possible future stability requirements.

USCG personnel raised similar concerns about the implications of establishing a simple gross tonnage limitation. First, the Council would need to clearly and specifically define how tonnage would be measured, because numerous different regulatory and tonnage definitions exist. The Council could choose to apply the existing USCG definition and calculation of simple gross tonnage. A limitation on vessel tonnage, rather than width, could provide greater flexibility for vessel construction, but many of the concerns raised about applying a vessel width restriction would continue to apply. It is not clear what the appropriate tonnage limitation would be, or whether that limit on vessel tonnage would preclude safer vessel construction techniques. USCG personnel noted that vessel tonnage would require specific measurement of several dimensions, and it would not be possible to measure those dimensions accurately unless the vessel was out of the water. USCG personnel noted that, if the Council developed a tonnage requirement that differs from USCG definitions, it could create additional confusion for vessel operators and enforcement operations.

Regulatory definitions of width and depth or simple gross tonnage would need to be established as part of this action, and establishing such definitions is complicated by the range of vessel construction and measurement tools. The NOAA Office of Law Enforcement coordinated with a marine surveyor to explore a potential definition of width and depth, and those draft definitions were provided to the Council. Whereas LOA measurements can be relatively easily verified by measuring a vessel at the dock, width measurements are not easily determined by visually inspecting a vessel. A vessel's superstructure can impede line-of-sight measurement, and motion of the vessel, even while at dock, can make accurate measurements difficult. Any protrusions of a vessel below the waterline cannot be reliably measured. NOAA Enforcement recommended that vessel width or depth measurements be made while a vessel is out of the water, by an independent third-party, such as a marine surveyor or naval architect. To ensure up-to-date measurements, NMFS would require vessel owners to periodically measure the vessel to ensure that any modifications that affected a vessel's dimensions are provided to the agency. A requirement for regular re-measurement of a vessel is likely to result in more accurate information. NMFS would likely require that a survey be conducted for a vessel prior to approving the designation of an LLP license for that vessel, if that vessel does not have a certified survey on file. Because of the potential number of vessels to be surveyed, the costs of a survey, and the need for regular re-measurement, the total reporting burden and cost to the industry to implement and enforce an LLP license width or simple gross tonnage endorsement could be substantial<sup>13</sup>.

Finally, several implementation issues were identified. One problem with basing the width or simple gross tonnage restriction on the LOA of the vessel assigned to the license is that not all licenses are assigned to a vessel. RAM does not require a vessel assignment to each license. One possible solution is to base the width restriction on the LOA measurement of the current vessel for licenses assigned to a vessel as of December 8, 2008, and on the LOA of the original qualifying vessel for licenses not assigned to a vessel as of this date. Another potential solution is to base the width restriction on the MLOA on the license, because every license has an MLOA endorsement, even if no vessel is currently assigned to the license. Because the MLOA is listed on the LLP license, it is no longer subject to challenge through the

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<sup>13</sup> A survey may cost an estimated \$12 to \$15 per linear foot, with potentially lower costs per foot for larger vessels. If a certified marine surveyor is not available locally, travel costs may increase the cost of a survey.

appeals process, and calculating the width endorsement from that MLOA, using a simple ratio, would not be subject to appeals procedures. The rationale for basing the width restriction on the LOA, rather than on the MLOA, is that it is a more conservative method of calculating the width restriction. The MLOA designation is 1.2 times the length of the original qualifying vessel for vessels <60 ft LOA, up to 60 ft; and 1.2 times the length of the original vessel for vessels 60 ft to 125 ft LOA, up to 125 ft. For vessels 125 feet or greater in length, the MLOA designation is equal to the vessel length. If the width restriction is calculated based on the MLOA, rather than the LOA of the vessel assigned to the licenses, the width endorsement on the license would be larger for vessels <125 ft LOA. This may be desirable, if the Council perceives a need to provide some flexibility in the width of the vessel assigned to a license. The combination of the MLOA designation and width restriction on each license may make it more difficult for licenses to be sold or transferred to another vessel. Providing some flexibility in the width restriction, similar to that provided in the MLOA restriction, may make it more feasible for a license to be sold or transferred. However, neither of these approaches to determining the basis of the width or simple gross tonnage restriction address the issues raised by the USCG about arbitrarily dictating vessel dimensions in regulation, and the potential effects of such a regulation on vessel construction, vessel stability, and safety at sea, nor do they relieve the industry of the significant cost of having all participating vessels surveyed to insure compliance with the terms of the LLP license.

#### **2.5.14 Component 7 – CQE exemption**

There are 21 communities eligible under the Community Quota Entity (CQE) Program, located in the Western and Central GOA management areas, including West Yakutat.<sup>14</sup> Under the Federal LLP, the Central GOA endorsement area also authorizes vessels to fish in the West Yakutat management area, and communities located in this area are also included in this discussion. To be eligible under the Federal CQE program, a community must have fewer than 1,500 residents, lack direct road access, have direct access to saltwater, and have historic participation in the halibut and sablefish fisheries. These communities were identified under Amendment 66 to the GOA Groundfish FMP, and are eligible to purchase catcher vessel halibut and sablefish Quota Share (QS) on the open market. Table 2-45 lists the CQE communities located in Southwest and Southcentral Alaska, and shows the 2000 U.S. Census population in each community, as well as, the number of Western and Central GOA fixed gear LLP licenses held by residents of these communities. Note that only 11 of the 21 eligible communities listed in Table 2-45 have formed the non-profit entity (i.e., CQE) necessary to participate in the program and purchase quota share.

Currently, residents in 14 of the 21 CQE communities hold a total of 54 LLP licenses with Western GOA endorsements and 74 LLP licenses with Central GOA endorsements. Most of these Federal licenses have an MLOA designation of <60 ft (53 Western GOA licenses and 69 Central GOA licenses). It is important to note that residency information is based on the license holder's address information reported in the RAM groundfish LLP license file, as of December 2008, and does not necessarily indicate that an individual LLP license holder meets the definition of an eligible CQE resident. Table 2-46 shows the number of LLP licenses in each community that had at least one fixed gear landing of directed Pacific cod in a Federal (or parallel) fishery during 2000 through 2006 or 2000 through December 8, 2008. Residents of King Cove and Sand Point hold most (52) of the Western GOA LLP fixed gear licenses in question, and the majority (>65%) of these LLP licenses had at least one landing from a Federal (or parallel) Pacific cod fishery during both time periods.

The majority of Central GOA LLP licenses held by residents of CQE communities are owned by residents of Sand Point (16 licenses), Seldovia (10 licenses), Ouzinkie (10 licenses), Old Harbor (9

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<sup>14</sup>An additional 21 communities located in Southeast Alaska (Area 2C) are eligible under the CQE Program, but would not meet the criteria to participate in the subject Pacific cod fixed gear action.

licenses), and Port Lions (8 licenses). However, only 1 of 16 Central GOA LLP fixed gear licenses held by Sand Point residents had at least one directed Pacific cod landing from a Federal waters (or parallel) fishery during 2000 through 2006 or 2000 through 2008. Overall, only 3 of 30 Central GOA LLP fixed gear licenses held by residents of Southwest Alaska CQE communities had at least one directed Pacific cod landing from a Federal (or parallel) waters fishery in the Central GOA, whereas 17 of 43 Central GOA licenses held by residents of Southcentral Alaska CQE communities had at least one directed Pacific cod landing from a Federally managed fishery. In sum, residents of 3 CQE communities currently hold Western GOA LLP licenses that have recent directed Pacific cod landings from a Federal (or parallel) waters fishery, and residents of 8 CQE communities hold Central GOA LLP licenses with such recent directed Pacific cod landings. If the 1 landing threshold is selected, as many as 36 Western GOA LLP licenses, and up to 20 Central GOA LLP licenses, held by CQE residents would qualify for a Pacific cod endorsement (Table 2-47). The number of qualifying LLP licenses decreases, as one might expect, at higher landings and catch thresholds. The majority of licenses that do not have GOA directed Pacific cod landings from a Federal or parallel waters fishery, had landings in Alaska State waters fisheries during 2000 through 2006 (see Appendix A, Table A-2).

**Table 2-45 Community Quota Entity (CQE) eligible communities in Southwest and Southcentral Alaska, and the number of fixed gear LLP licenses held by community residents.**

Name	Population	Management Area	WG licenses	CG licenses
Akhiok*	80	Central Gulf	0	0
Chenega Bay*	86	Central Gulf	0	0
Chignik	79	Central Gulf	0	3
Chignik Lagoon	103	Central Gulf	1	5
Chignik Lake	145	Central Gulf	0	0
Halibut Cove	35	Central Gulf	0	1
Ivanof Bay	22	Western Gulf	0	0
Karluk	27	Central Gulf	0	0
King Cove*	792	Western Gulf	23	5
Larsen Bay*	115	Central Gulf	0	1
Nanwalek*	177	Central Gulf	0	0
Old Harbor*	237	Central Gulf	0	9
Ouzinkie*	225	Central Gulf	0	10
Perryville*	107	Western Gulf	1	1
Port Graham*	171	Central Gulf	0	1
Port Lions	256	Central Gulf	0	8
Sand Point*	952	Western Gulf	29	16
Seldovia	286	Central Gulf	0	10
Tatitlek	107	Central Gulf	0	1
Tyonek	193	Central Gulf	0	0
Yakutat*	680	West Yakutat	0	3
<b>Total</b>			<b>54</b>	<b>74</b>

Source: Population from 2000 U.S. Census. Residency information is based on the license holder's address information reported in the RAM groundfish LLP license file in December 2008, and does not necessarily indicate that an individual license holder meets the definition of an eligible CQE resident. \*Eligible communities that have formed CQEs.

**Table 2-46 Number of licenses held by residents of eligible CQE communities that have at least 1 landing of directed Pacific cod.**

City	CQE	WG licenses	1 landing from 2000- Dec 2008	Percent	1 landing from 2000- 2006	Percent	CG licenses	1 landing from 2000- Dec 2008	Percent	1 landing from 2000- 2006	Percent
Chignik	Y	0	0	0%	0	0%	3	1	33%	1	33%
Chignik Lagoon	Y	1	1	100%	1	100%	5	1	20%	1	20%
Halibut Cove	Y	0	0	0%	0	0%	1	0	0%	0	0%
King Cove	Y	23	16	70%	16	70%	5	0	0%	0	0%
Larsen Bay	Y	0	0	0%	0	0%	1	1	100%	1	100%
Old Harbor	Y	0	0	0%	0	0%	9	7	78%	7	78%
Ouzinkie	Y	0	0	0%	0	0%	10	3	30%	2	20%
Perryville	Y	1	0	0%	0	0%	1	0	0%	0	0%
Port Graham	Y	0	0	0%	0	0%	1	0	0%	0	0%
Port Lions	Y	0	0	0%	0	0%	8	2	25%	2	25%
Sand Point	Y	29	19	66%	19	66%	16	1	6%	1	6%
Seldovia	Y	0	0	0%	0	0%	10	4	40%	4	40%
Tatitlek	Y	0	0	0%	0	0%	1	0	0%	0	0%
Yakutat	Y	0	0	0%	0	0%	3	0	0%	0	0%
<b>Total</b>		<b>54</b>	<b>36</b>	<b>67%</b>	<b>36</b>	<b>67%</b>	<b>74</b>	<b>20</b>	<b>27%</b>	<b>19</b>	<b>26%</b>

Source: ADFG Fish Tickets (2000-2007), NMFS Catch Accounting (2008) and RAM groundfish license file, December 2008.

**Table 2-47 Catcher vessel licenses currently held by residents of CQE communities that meet the landings and catch (mt) thresholds identified in Component 4.**  
**Western GOA (54 current licenses)**

Threshold	2000- Dec 2008	2000- June 2008	2000- 2006	2002- Dec 2008	2002- June 2008	2002- 2006
1 landing	36	36	36	33	32	32
3 landings	34	34	34	32	32	32
5 landings	32	32	31	29	29	28
5 mt	35	35	34	32	32	31
10 mt	31	31	31	29	29	29
25 mt	29	29	29	26	26	26
100 mt	25	25	23	25	25	23

**Central GOA (74 current licenses)**

Threshold	2000- Dec 2008	2000- June 2008	2000- 2006	2002- Dec 2008	2002- June 2008	2002- 2006
1 landing	20	20	19	12	12	11
3 landings	18	18	15	11	11	8
5 landings	15	15	12	11	11	8
5 mt	17	17	14	11	11	8
10 mt	13	13	10	10	10	7
25 mt	12	12	10	8	8	6
100 mt	9	9	9	5	5	5

Source: ADFG Fish Tickets (2000-2007), NMFS Catch Accounting (2008) and RAM groundfish license file, December 2008.

Under Component 7, non-transferable fixed gear Federal groundfish LLP licenses could be made available to qualified CQEs. The intent of this component is to help minimize potential adverse economic impacts of this action on these small, remote fishing communities, and to ensure that community residents have access to the Federal waters GOA Pacific cod fishery. If Component 7 is selected, the maximum number of licenses that may be requested by each community would be equal to the number of LLP fixed gear groundfish licenses that are recorded to be in that community, but are not estimated to qualify for a Federal Pacific cod endorsement under a 1 landing threshold, or 2 LLP licenses, whichever is greater (see Table 2-48). For example, if no community residents hold an LLP fixed gear groundfish license, that

community could request up to 2 LLP fixed gear licenses. The rationale for this approach is that it provides all CQE communities with the opportunity to request at least 2 such licenses, and for residents to participate in the Federal waters Pacific cod fishery. The program has no bearing on participation by residents of these CQE communities in the State waters Pacific cod fisheries.

The LLP fixed gear groundfish licenses would have an MLOA designation of 60 ft, and gear designations assigned as follows:

- Western GOA LLPs will be endorsed for pot gear
- In the Central GOA, CQEs will have 6 months after implementation to notify NMFS regarding the gear endorsement (pot or hook-and-line) that will be assigned to CQE LLPs. However, if the CQE does not notify NMFS, the following rule will be applied to assign gear endorsements: for each CQE, LLPs will be split 50% pot gear and 50% hook-and-line gear. If there is an odd number of licenses, the additional LLP will be assigned a pot designation.

The regulations that allow CQEs to hold and lease quota shares are already in place under GOA Amendment 66, and could be modified to allow CQEs to hold LLP licenses. Currently, the CQE takes on the burden of finding a community resident who is willing to lease quota shares under contract, and both the CQE and the resident must certify that the lessee is a resident on the transfer application to NMFS (i.e., lease of IFQ from the CQE to the resident). Providing inaccurate information is considered fraud under Federal law. While there is no regulatory definition of leasing for LLP licenses, and no requirement for a transfer application, if the Council opts to make available to each CQE a specific number of fixed gear LLP licenses, the Council could require that a condition of the CQE receiving the LLP license is attesting that the individuals that will use the license to fish are residents of the community the CQE represents. The additional administrative burden of this approach on NMFS would be minimal, because NMFS only requires the CQE attest to an individual’s residency, but would not necessarily need to require each individual to submit proof of residency in order to use the CQE’s LLP license.

**Table 2-48 Maximum number of LLP Pacific cod licenses that may be requested by each CQE community.**

<u>Central GOA Licenses</u>		<u>Western GOA Licenses</u>	
Akhiok*	2	Ivanof Bay	2
Chenega Bay*	2	King Cove*	7
Chignik	2	Perryville*	2
Chignik Lagoon	4	Sand Point*	10
Chignik Lake	2	<b>Total</b>	<b>21</b>
Halibut Cove	2		
Karluk	2		
Larsen Bay*	2		
Nanwalek*	2		
Old Harbor*	2		
Ouzinkie*	7		
Port Graham*	2		
Port Lions	6		
Seldovia	6		
Tyonek	2		
Yakutat*	3		
Tatitlek	2		
<b>Total</b>	<b>50</b>		

\*Eligible communities that have formed CQEs.

The CQE Program defines a ‘resident’ as 1) a U.S. citizen and 2) someone who has maintained a domicile in the community for the 12 consecutive months preceding the time when the assertion of residency is

made (and who is not claiming residency in any other community). The common legal definition of domicile is the residence where a person has a permanent home to which they intend to return whenever they are absent; every person has only a single domicile at any time. Thus, the criteria for residency in the existing CQE Program do not appear to require that a person must have ‘lived continuously’ in the community for 12 months; rather, residency is based on having the principal home in the community, and the intent to return to that home.<sup>15</sup>

There are a number of benefits and drawbacks to making Federal LLP fixed gear groundfish licenses available to CQE communities. The main benefit is that it could provide opportunities for new entrants who reside in the community to participate in the Federal waters directed Pacific cod fishery. While this may be desirable for a number of reasons, it also contradicts the Council’s general purpose for this action (i.e., reduce the potential entry of new effort into these fixed gear fisheries). Only 14 of the 21 Southcentral and Southwest Alaska CQE communities currently have residents who hold LLP fixed gear licenses, and not all of these communities have residents who will qualify for a Pacific cod endorsement. Providing licenses to each CQE could give residents in each community the opportunity to access the Federal waters Pacific cod fishery, in addition to the parallel and State waters fisheries, which do not require an LLP license. One possible drawback to this CQE allocation is that many CQE communities currently have active participants in the GOA Pacific cod fisheries who will likely qualify out-right for Pacific cod endorsements. Making additional licenses available to CQE community residents could increase competition for access to the local Federal waters fishery, if participation increases. Also, there are currently no regulations that prevent CQEs from purchasing groundfish licenses, in the same manner that they may purchase halibut and sablefish QS. At this time, only one CQE has purchased halibut and sablefish QS.

Another approach the Council previously considered under Component 7 was to exempt LLP licenses held by residents of CQE communities from the landings or catch thresholds. This approach was included in the December 2008 motion under Component 7. All LLP fixed gear groundfish licenses held by residents of CQE communities would receive a Pacific cod endorsement, even if they did not meet the landings or catch thresholds selected by the Council. These licenses could not be leased, and could only be transferred to another resident of the CQE community. Several administrative issues were identified that would make this exemption, and the related restrictions on exempted licenses, complicated to administer.

First, the exemption would only apply to residents of CQE communities, and LLP license holders who received the exemption would be required to affirm their residency on an annual basis. NMFS could require license holders to submit an affidavit affirming their residency on an annual basis, but there are no immediate consequences to not submitting the affidavit. For example, if a license holder moves out of a CQE community and does not submit the annual affidavit affirming his or her residency, RAM would first have to notify the individual that the failure to submit the affidavit will result in RAM revoking the Pacific cod endorsement. Once the license holder is notified, the holder would have 60 days to file an appeal. If the LLP holder does not appeal, RAM would revoke the Pacific cod endorsement and re-issue the license without it. If the LLP holder appeals, then the Office of Administrative Appeals (OAA) would review the case and the LLP holder would continue to hold the endorsement until OAA made a final decision. OAA has no fixed time frame for resolving appeals. The license would have interim status during the appeals process, and the license holder would be eligible to participate in the Federal fisheries using the license and Pacific cod endorsement.

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<sup>15</sup>While this definition still inhibits a person from returning home to a CQE community and immediately fishing CQE quota until they have established a principal residence for 12 months, it does not appear to require an individual to have lived continuously at that residence during that time period.

Second, prohibiting Federal LLP fixed gear Pacific cod licenses from being leased is not practicable, because there is no regulatory definition of leasing for LLP licenses. A license must be carried on board the vessel to which the license is assigned while the vessel is participating in fisheries, subject to the LLP requirement, but there is no owner on board requirement. If the vessel owner or skipper is not the owner of the LLP license assigned to the vessel, there is not a clear definition of what constitutes a leasing agreement.

Third, licenses that receive the exemption would only be transferable to an individual who has lived continuously in the permit holder's CQE community for 24 consecutive months immediately prior to the transfer. This requirement would ensure that benefits flow to residents of small communities. However, this requirement may be difficult to meet in some small communities, as many of those communities do not have year-round economies, effectively requiring residents to live outside of the community for a period or season, even if their principal home is in the community. In addition, as communities attempt to provide fishing opportunities as an incentive for residents to return to the community, this requirement would preclude a person from taking advantage of this opportunity, until the individual had lived in the community for the 24 consecutive months immediately prior to the transfer. This may impose an insurmountable economic barrier to qualifying for such a transfer.

An alternative approach that would minimize the administrative burden on NMFS, while still providing a direct benefit to current license holders who are residents of CQE communities, would be to give licenses held by residents of CQE communities, as of a specific date, an exemption from the catch or landings thresholds. License holders would *not* be required to remain residents of the CQE community in order to retain the Pacific cod endorsement. This approach could provide a direct benefit to the *individuals* who receive an endorsement. However, in the long term it would provide less benefit to the community if license holders leave the community. In order to preclude license holders who receive an endorsement as a result of the exemption from opportunistically selling the license to another individual, these licenses could be designated non-transferable. If the license is sold to another owner, the Pacific cod endorsement would be removed. This restriction would give the original license holder the option to access the directed Pacific cod fisheries in Federal waters in the future, but would not allow the holder to sell that option to another person. Eventually, however, if designated non-transferable, all of these licenses would be extinguished.

After considering the complications, and likely effects, of exempting licenses held by residents of CQE communities from the landings or catch thresholds in the proposed action, the Council decided to revise Component 7. The preferred alternative includes the revisions made by the Council to Component 7 at the April 2009 meeting; the rationale for those revisions is discussed above.

## **2.6 Expected effects of the alternatives**

### **2.6.1 Effects on harvesters**

Under the no action alternative, there would be no reduction in the number of fixed gear licenses eligible to participate in the directed Pacific cod fisheries in the Western and Central GOA. If this alternative is selected, any of the currently existing fixed gear licenses could enter the Western and Central GOA Pacific cod fisheries in the future and dilute revenues, increase costs, or both, for licenses that have participated in the fisheries during recent years. Finally, if gear-specific Pacific cod endorsements are not added to licenses, and Pacific cod sector allocations are implemented, participants in each of the fixed gear sectors will be vulnerable to an influx of effort into those sectors. If effort increases substantially in a particular sector, the erosion of catch resulting from latent licenses re-entering the fisheries will be exacerbated. The number of licenses that would actually enter the Pacific cod fisheries in the absence of this action is unknown, and the specific effect of any such entry depends on future market conditions, the



size of Pacific cod TACs, opportunities to participate in other fisheries, the future regulatory environment, and operating costs in this and other fisheries. Consequently, this analysis does not provide a quantitative estimate of the potential economic impacts of the no action alternative.

If the minimum landings threshold of 1 directed Pacific cod landing is selected, this action would result in any recent (as defined by the qualifying period selected) participants in the Federal waters fisheries receiving a Pacific cod endorsement. The primary effect of this action on the harvesting sector would be to limit the potential for future entry of latent licenses into the GOA Pacific cod fisheries. If the Council chooses a higher landings threshold, this action has the potential to exclude some recent participants, who do not have sufficient landings to meet the threshold, from continuing to participate in the directed Pacific cod fisheries in the GOA.

This action would reduce fixed gear capacity in the Federal waters GOA Pacific cod fisheries, to (primarily) include only licenses that meet the catch history threshold in the fisheries. Extinguishing latent licenses may, it is argued, prevent future revenues from Pacific cod harvests from being diluted by this source of increased fishing effort. At the same time, however, the Council is considering options that would increase the opportunity for expansion of effort, by exempting some vessels and/or gear types from the endorsement requirements, and by making LLP licenses available to CQEs to encourage new participation in the Federal waters fisheries.

While containing several attributes of a 'rationalization' program, this action may not result in increased production efficiencies. Following implementation of the amendment, each remaining qualified participant will still have an economic incentive to expand fishing effort and maximize his or her respective share of the gross revenues in the GOA Pacific cod fisheries (i.e., the 'race-for-fish' will continue). The action will not necessarily result in an 'optimum' harvesting capacity in any of the sectors or management areas. The Council is considering a range of potential catch and landings thresholds, qualification periods, and catch definitions. The number of gear-specific Pacific cod endorsements that will be added to licenses under any of these options was not based on a predetermined optimum capacity for the pot, hook-and-line, or jig gear Pacific cod fleet. The action is a more modest approach to resolving concerns among current participants that future entry of presently inactive licenses would adversely impact status quo catch and earnings, than a fully rationalized fixed gear Pacific cod fishery management plan.

Pacific cod is the primary species targeted by the fixed gear sectors. Increases in Pacific cod prices in recent years have the potential to attract re-entry of latent effort into the fisheries. In the absence of this action, latent LLP licenses would not necessarily re-enter the fisheries in the future. The re-entry of these latent licenses would depend on future market conditions, conditions in the fisheries, the future regulatory environment, and opportunities to participate in other fisheries. The proposed action is not likely to result in any immediate reduction of effort. Indeed, aspects of the proposal are intended to provide the opportunity for increases in effort, among some segments (e.g., CQEs). Therefore, the short term effects on efficiency will likely be negligible. In the longer term, the proposed action has the potential to limit overcrowding in the GOA Pacific cod fisheries, beyond what the existing LLP program already provides for. However, in the absence of this action, the number of latent licenses that would re-enter the fixed gear Pacific cod fisheries is not known. Therefore, the economic effects of the proposed action cannot be precisely quantified.

The action would potentially reduce the number of fixed gear catcher vessel licenses eligible to participate in the directed Pacific cod fisheries to between 20% and 42% of the current number in the Western GOA and between 12% and 35% of the current number in the Central GOA, not counting CQE and exemption provisions. The number of catcher processor licenses would be reduced to between 52% and 77% of the current number in the Western GOA and 22% to 43% in the Central GOA. The action

would cap the number of participants in the directed Pacific cod fisheries at the number of available licenses, and new entrants will have to purchase an existing license, except, as mentioned, for CQEs and other exempted entities.

## **Prices of licenses**

Reducing the pool of licenses eligible to access the directed Pacific cod fisheries has the potential to increase the value of remaining licenses. The price of a license may depend on the combination of area, gear (trawl and/or fixed gear), and species endorsements, and the MLOA on the license. It also may depend on whether the license has recent catch history. Anecdotal reports have indicated that Central GOA fixed gear licenses with an MLOA of <60 ft, and without catch history, sell for approximately \$3,000 to \$5,000. Licenses with an MLOA of 50 ft or less are valued on the lower end of this range, and licenses with an MLOA of 58 ft to 60 ft may be valued at the higher end of this range. Licenses with either a Central GOA or Western GOA area endorsement (but not a BS or AI endorsement), an MLOA of less than 60 ft, and recent catch history may be valued at \$20,000 to \$25,000. Licenses with both Central and Western GOA endorsements are likely more valuable.

### **2.6.2 Licenses with no qualified GOA fixed gear landings**

The proposed action would limit access to the GOA Pacific cod fisheries, but would not limit participation in other fisheries by vessels that hold licenses with other area endorsements or gear designations. Table 2-49 provides an overview of the fishing activities of Western and Central GOA fixed gear licenses that do not qualify under any of the landings or catch thresholds. For the purpose of this table, non-qualified licenses were defined as licenses that do not meet the minimum recency threshold of one directed Pacific cod landing in the endorsement area, during 2000 through 2006. Most non-qualified catcher vessel licenses have catch in other fisheries in and/or off Alaska. This other catch includes fixed gear landings of groundfish in areas other than the LLP endorsement area, and any trawl catch, IFQ catch, State waters groundfish catch, and non-groundfish catch (e.g., salmon, shellfish, and herring). Out of 883 Central GOA catcher vessel licenses, there are 614 licenses with no directed Pacific cod landings; 500 of these licenses had landings in other fisheries during 2000 through 2006. Of 264 Western GOA catcher vessel licenses, there are 171 licenses with no WGOA directed Pacific cod landings; 127 of these licenses had landings in other fisheries during 2000 through 2006. Notably, there are very few licenses that had no commercial landings in fisheries in and/or off Alaska during 2000 through 2006. Only 114 Central GOA catcher vessel licenses and 27 Western GOA catcher vessel licenses did not have such landings in any commercial fishery during 2000 through 2006.

Similarly, Table 2-49 shows that most catcher processor licenses that did not have qualified landings during 2000 through 2006, were active participants in other groundfish fisheries in and/or off Alaska, including the BSAI fixed gear fisheries and the BSAI and GOA trawl fisheries. There are 10 catcher processor licenses with Western GOA endorsements that have no WGOA directed Pacific cod landings, and 8 of these licenses had landings in other fisheries in and/or off Alaska. There are 35 catcher processor licenses with Central GOA endorsements that have no CGOA directed Pacific cod landings and 33 of these licenses had landings in other fisheries in and/or off Alaska.

**Table 2-49 Summary of fishing activity: licenses with at least one directed Pacific cod landing; licenses with no qualified landings.**

	Number of licenses with at least one directed Pacific cod landing in the endorsement area during 2000-2006			Catch history of licenses with no directed Pacific cod landings during 2000-2006	
	Number of licenses	At least one directed Pcod landing	No directed Pcod landings	At least one non-qualified landing in another fishery	No landings in any fishery
Central Gulf CV	883	269	614	500	114
Central Gulf CP	49	14	35	33	2
Western Gulf CV	264	93	171	144	27
Western Gulf CP	31	21	10	8	2

Note: Non-qualified landings include fixed gear landings in management areas other than the endorsement area, and trawl, State waters, IFQ, and other fisheries.

## 2.6.3 Gross revenues from GOA Pacific cod and other fisheries

### Catcher Vessel Licenses

Many fixed gear licenses with GOA endorsements were active in other commercial fisheries in and off Alaska, in addition to the GOA fixed gear Pacific cod fisheries. Groundfish licenses may have up to five area endorsements (Bering Sea, Aleutian Islands, Western GOA, Central GOA, and Southeast Outside), two gear designations (trawl and fixed gear), and two BSAI Pacific cod endorsements. These endorsements and designations allow holders of these licenses to participate in a suite of groundfish fisheries. In addition, many license owners hold halibut and sablefish IFQ, BSAI crab quota, and other permits that allow them to participate in other fisheries.

Gross revenues data indicate that the majority of fixed gear catcher vessel and catcher processor licenses that did not have any qualifying fixed gear landings during the proposed qualifying periods, elected to participate in other fisheries during this period. Table 2-50 reports the number of licenses that had at least one directed Pacific cod landing in the Western or Central GOA during 2000 through 2006 (top line, left hand column) and the number of licenses that did not have one directed Pacific cod landing in the Western or Central GOA during 2000 through 2006 (top line, right hand column). The table also reports the number of licenses that participated in other fisheries in and/or off Alaska, based on the activity of the vessel(s) assigned to the license during 2000 through 2006. The table reports total revenues to licenses that participated in each fishery and average annual revenues per license, across all fisheries, from 2000 through 2006. Note that ‘licenses’, per se, are not participating in each of the fisheries; the analysis is based on the fishing activities of the vessel(s) assigned to each license.

Several fisheries overlap temporally with the Western and Central GOA Pacific cod fisheries. Requiring licenses to have a Pacific cod endorsement to participate in the directed Pacific cod fisheries in the GOA would not impact the status quo fishing operations of these licenses. The intent of the action is to give licenses that have recent participation in the Pacific cod fisheries the endorsement, so that those licenses continue to have access to the fisheries. However, licenses that do not qualify for a Pacific cod endorsement would not have the opportunity to enter these fisheries in the future, except as provided for under the CQE and any other exemption provisions the Council may choose to recommend. Allowing latent licenses to have the option to access the directed Pacific cod fisheries in the Western and Central GOA in the future should be balanced against the interests of current participants, who may have made long-term investments in the GOA Pacific cod fisheries.

Most catcher vessel licenses that did not have directed Pacific cod landings in the Western or Central GOA during the proposed qualifying periods were active in other commercial fisheries in and/or off Alaska. Out of 264 Western GOA licenses, there are 171 licenses that did not have any qualified landings during 2000 through 2006. However, 144 of the 171 licenses had landings in other Alaska fisheries. Western GOA licenses that did not have directed Pacific cod landings, but were active in other fisheries, had revenues mainly from the IFQ halibut (35.4%) and sablefish (21.4%) fisheries, and the BSAI trawl fisheries (31.1%). Less than 1% of revenues were from GOA Federal (0.8%) or State waters (0.3%) fixed gear fisheries. In contrast, most Western GOA licenses that had at least one fixed gear groundfish landing from 2000 to 2006 also participated in the State waters Pacific cod fisheries (72 of 93 licenses), and many licenses also had landings in the Central GOA fixed gear Federal fisheries (20 licenses). Gross revenues for licenses with qualified Western GOA landings were from IFQ halibut (29.5%), shellfish (33.4%), salmon (19.9%), GOA trawl groundfish (18.8%), and Western GOA fixed gear Pacific cod (11.0%).

Of 883 Central GOA licenses, 614 licenses did not have any directed Pacific cod landings from 2000 to 2006, but 500 of these licenses had landings in other Alaska fisheries. The majority of revenues by these licenses were from IFQ halibut (35.0%) and sablefish (21.3%), and the BSAI trawl fisheries (13.6%). Only a small proportion of revenues by these licenses were from the fixed gear groundfish fisheries in the Western GOA (0.7%) or from the GOA State waters Pacific cod fisheries (1.4%). Most Central GOA licenses that made at least one directed Pacific cod landing during 2000 through 2006 also participated in the halibut IFQ fisheries (226 of 269 licenses). These licenses also fished for salmon (164 licenses), IFQ sablefish (141 licenses), State GOA Pacific cod (140 licenses), and shellfish (123 licenses). Revenues were from halibut IFQ (45.1%), followed shellfish (10.3%), and Central GOA fixed gear Pacific cod landings (10%).

When comparing annual gross revenues per license, the most apparent difference between catcher vessel licenses with directed Pacific cod landings and catcher vessel licenses without such landings is that they are participating in a different suite of fisheries. Western GOA CV licenses with at least one qualified Pacific cod landing, during 2000 through 2006, had annual gross revenues of \$274,608 per license. In contrast, Western GOA CV licenses without a qualified Pacific cod landing had substantially higher gross revenues, averaging \$622,658 per license. Western GOA licenses, without qualified cod landings, that were active in the BSAI trawl fisheries had on average over \$1 million in gross revenues per year during 2000 through 2006. There was not a large difference between annual gross revenues for Central GOA CV licenses with qualified fixed gear landings (\$319,458) and those without a qualified landing (\$353,067).

Western and Central GOA CV licenses that did not have directed Pacific cod landings during 2000 through 2006, and would only qualify for a Pacific cod endorsement if catch during 2007 and 2008 is included, have different participation patterns in the fisheries. Table 2-51 compares 2007 participation, catch, and revenues data, and 2008 participation and catch data (revenues data were not available for 2008), for licenses with at least one landing during 2000 through 2006 and licenses that only had a landing in 2007 and/or 2008. The table shows the number of licenses that participated in the Central GOA or Western GOA Pacific cod fisheries in 2007 and 2008, participation by those licenses in other fisheries, and catch and revenues by those licenses in each fishery. Central GOA licenses that only have directed Pacific cod landings during 2007 earned only 7% of their total estimated gross revenues from the Central GOA Pacific cod fishery in 2007, compared with 17% for vessels that had a landing from 2000 to 2006. In contrast, Western GOA licenses that first entered the directed Pacific cod fixed gear fishery in 2007, earned 22% of revenues from that fishery, compared to 10% for vessels that had landings from 2000 to 2006.

## Catcher Processor Licenses

During 2000 through 2007, the majority of first wholesale gross revenues attributed to catcher processor licenses with fixed gear landings in the GOA fisheries, were actually from the BSAI fixed gear fisheries (Table 2-52). Revenues from Western GOA directed Pacific cod (5.5%) and Central GOA directed Pacific cod (2.7%) were a small proportion of total revenues for LLP licenses that have qualifying Pacific cod catch in the respective GOA management areas. Nearly all catcher processor licenses that did not have Western and/or Central GOA directed Pacific cod landings, during 2000 through 2006, were active in other fisheries in and/or off Alaska. The majority of first wholesale gross revenues for these non-qualifying licenses were from the BSAI trawl and BSAI fixed gear fisheries, and from GOA trawl fisheries. Only 2 Western GOA and 2 Central GOA CP licenses did not have any landings in any commercial fisheries during 2000 through 2006 in and/or off Alaska.

Annual revenues by fixed gear CP licenses that had qualified Western GOA landings from 2000 to 2006 (\$3.45 million), were substantially greater than licenses without qualified landings (\$1.57 million). There was no difference in revenues to Central GOA licenses with and without qualified GOA Pacific cod landings. The 21 Western GOA CP licenses that made at least one fixed gear directed Pacific cod landing from 2000 to 2006, had average annual revenues of \$189,041 in that fishery, and the 14 Central GOA CP licenses with at least one fixed gear Pacific cod landing from 2000 to 2006, had average annual revenues of \$62,902 in the fishery. The majority of CP GOA fixed gear licenses that did not have qualified Pacific cod landings, during 2000 through 2006, were active in other fisheries (i.e., 33 of 35 non-qualified CGOA licenses; 6 of 10 non-qualified WGOA licenses). Western GOA CP licenses that did not have qualified GOA fixed gear landings, participated in the BSAI and/or GOA trawl fisheries. Central GOA CP licenses without qualified GOA fixed gear landings participated in the BSAI fixed gear and the IFQ halibut and sablefish fisheries.

Western and Central GOA CP licenses that did not have any directed Pacific cod landings during 2000 through 2006, and would only qualify for a Pacific cod endorsement if catch during 2007 and 2008 is included, have different fisheries participation patterns. Table 2-53 compares 2007 participation, catch, and revenues data, and 2008 participation and catch data (revenues data were not available for 2008), for licenses with at least one GOA fixed gear Pacific cod landing during 2000 through 2006, and licenses that only had a GOA fixed gear Pacific cod landing in 2007 or 2008. The table shows the number of licenses that participated in the Central GOA or Western GOA Pacific cod fixed gear fisheries in 2007 and 2008, participation by those licenses in other fisheries, and associated catch and revenue by those licenses in each fishery. Central GOA licenses that only have directed Pacific cod fixed gear landings during 2007, earned only 10.5% of their estimated total gross first wholesale revenues from the Central GOA Pacific cod fishery in 2007, compared with 23.0% for vessels that had a GOA fixed gear Pacific cod landing during 2000 through 2006. Western GOA revenues for licenses that first entered the fishery in 2007 cannot be reported, due to confidentiality. Catch data for 2008 show that Western GOA licenses that have qualified GOA fixed gear Pacific cod landings during 2000 through 2006, harvested substantially more Pacific cod per license in each management area than did licenses that only qualify based on 2007 and 2008 landings.

**Table 2-50 Participation, average annual revenues per licenses, and total revenues in fisheries off Alaska during 2000-2006 by fixed gear CV licenses with at least 1 directed Pacific cod landing during 2000-2006 and with no GOA directed Pacific cod landings during 2000-2006.**

<b>Western GOA</b>	Western Gulf licenses with at least one Western Gulf directed Pacific cod landing during 2000-2006 (93 licenses)				Western Gulf licenses with no qualified Western Gulf directed Pacific cod landings during 2000-2006 (171 licenses)			
Fishery	Number of licenses in fishery	Percent revenues	Total revenues 2000-2006	Annual revenues per license	Number of licenses in fishery	Percent revenues	Total revenues 2000-2006	Annual revenues per license
<b>Federal WG Pcod- Fixed Gear</b>	<b>93</b>	<b>11.0%</b>	<b>\$19,650,003</b>	<b>\$30,184</b>	<b>0</b>	<b>0.0%</b>	<b>\$0</b>	<b>\$0</b>
Federal CG Pcod- Fixed Gear	20	3.2%	\$5,735,002	\$40,964	29	0.8%	\$5,158,527	\$25,411
Federal GOA Groundfish- Trawl	35	18.8%	\$33,644,062	\$137,323	25	6.3%	\$39,365,495	\$224,946
State GOA Pacific Cod	72	12.6%	\$22,506,883	\$44,657	22	0.3%	\$1,591,976	\$10,338
BSAI Fixed Gear	42	8.7%	\$15,480,123	\$52,653	52	1.9%	\$12,206,408	\$33,534
BSAI Trawl	11	2.0%	\$3,598,632	\$46,735	26	31.1%	\$195,299,784	\$1,073,076
Herring	11	0.6%	\$1,083,821	\$14,076	6	0.2%	\$1,158,735	\$27,589
IFQ Halibut	46	29.5%	\$52,776,776	\$163,903	96	35.4%	\$222,403,332	\$330,957
IFQ Sablefish	15	5.6%	\$10,068,941	\$95,895	75	21.4%	\$134,442,989	\$256,082
Other	81	0.3%	\$470,682	\$830	59	0.2%	\$981,816	\$2,377
Salmon	63	19.9%	\$35,602,608	\$80,732	55	2.3%	\$14,492,161	\$37,642
Shellfish	82	33.4%	\$59,688,306	\$103,987	45	7.4%	\$46,653,903	\$148,108
All fisheries	93	100.0%	\$178,769,889	\$274,608	144	100.0%	\$627,639,129	\$622,658
No landings in any fishery	0	0.0%	\$0	\$0	27	0.0%	\$0	\$0
<b>Central GOA</b>								
	Central Gulf licenses with at least one Central Gulf directed Pacific cod landing during 2000-2006 (269 licenses)				Central Gulf licenses with no qualified Central Gulf directed Pacific cod landings during 2000-2006 (614 licenses)			
Fishery	Number of licenses in fishery	Percent revenues	Total revenues 2000-2006	Annual revenues per license	Number of licenses in fishery	Percent revenues	Total revenues 2000-2006	Annual revenues per license
<b>Federal CG Pcod- Fixed Gear</b>	<b>269</b>	<b>10.0%</b>	<b>\$74,271,566</b>	<b>\$30,815</b>	<b>0</b>	<b>0.0%</b>	<b>\$0</b>	<b>\$0</b>
Federal WG Pcod- Fixed Gear	59	0.7%	\$5,421,101	\$11,900	48	0.7%	\$8,042,967	\$23,937
Federal GOA Groundfish- Trawl	16	4.1%	\$30,399,054	\$234,864	67	9.0%	\$110,960,249	\$236,589
State GOA Pacific Cod	140	3.5%	\$25,661,171	\$20,514	95	1.4%	\$17,373,455	\$26,125
BSAI Fixed Gear	90	4.4%	\$32,819,768	\$48,379	74	1.6%	\$20,180,519	\$38,959
BSAI Trawl	9	2.7%	\$20,074,960	\$305,379	33	13.6%	\$167,689,679	\$725,929
Herring	19	1.0%	\$7,792,837	\$53,813	44	1.2%	\$14,557,579	\$47,265
IFQ Halibut	226	45.1%	\$334,726,144	\$176,788	339	35.0%	\$432,463,156	\$182,243
IFQ Sablefish	141	9.2%	\$68,289,880	\$57,712	231	21.3%	\$263,645,381	\$163,046
Other	243	0.6%	\$4,324,153	\$2,238	188	0.2%	\$2,975,985	\$2,261
Salmon	164	8.4%	\$61,994,701	\$44,733	319	11.6%	\$143,832,669	\$64,412
Shellfish	123	10.3%	\$76,650,158	\$71,700	183	4.4%	\$54,012,859	\$42,165
All fisheries	269	100.0%	\$742,425,494	\$319,458	500	100.0%	\$1,235,734,497	\$353,067
No landings in any fishery	0	0.0%	\$0	\$0	114	0.0%	\$0	\$0

\*Note: Licenses may have participated in more than one fishery during 2000-2006. Licenses participated in each fishery during at least one year from 2000-2006, but may not have participated during every year. Revenues from each fishery are averaged across the period from 2000-2006, including years when a license did not participate in the fishery, to provide an index of relative dependence over the time period. Annual revenues and dependence on the GOA Pacific cod fixed gear fisheries are shown in Table 3-20.

Source: ADFG Fish Tickets, CFEC gross revenues data, and RAM groundfish LLP license file from December 2008

Note: Revenues from Western and Central GOA license tables are not additive; licenses may have both area endorsements.

**Table 2-51 Annual participation, annual revenues per license, and annual catch per license in fisheries off Alaska during 2007-2008 by fixed gear CV licenses with at least 1 GOA fixed gear directed Pacific cod landing during 2000-2006, and with no GOA fixed gear directed Pacific cod landings during 2000-2006 (but at least 1 landing during 2007-2008).**

<b>Western GOA</b>		Revenues and catch(mt) by licenses that have at least 1 landing during 2000-2006				Revenues and catch(mt) by licenses that only have 1 landing during 2007-Dec 8, 2008			
Year	Fishery	Number of licenses	Percent revenues	Catch (mt) per license	Revenues per license	Number of licenses	Percent revenues	Catch (mt) per license	Revenues per license
2007	<b>Federal WG Pcod- Fixed Gear</b>	<b>35</b>	<b>10.0%</b>	<b>87</b>	<b>\$89,406.3</b>	<b>6</b>	<b>21.9%</b>	<b>134</b>	<b>\$144,810</b>
	Federal CG Pcod- Fixed Gear	2	*	*	*	3	*	*	*
	Federal GOA Groundfish- Trawl	10	8.1%	518	\$251,693.8	0	0.0%	0	*
	State GOA Pacific Cod	24	10.3%	132	\$133,812.8	2	*	*	*
	BSAI Fixed Gear	10	8.2%	203	\$255,873.9	3	*	*	*
	IFQ Halibut	15	21.8%	49	\$452,528.0	3	*	*	*
	IFQ Sablefish	4	*	*	*	1	*	*	*
	Other	30	0.1%	1	\$893.4	5	0.1%	36	\$780
	Salmon	20	19.8%	551	\$308,298.6	0	0.0%	111	*
	Shellfish	8	19.4%	123	\$756,016.3	1	*	*	*
All fisheries	35	100.0%	754	\$890,641.0	6	100.0%	247	\$681,028	
2008	<b>Federal WG Pcod- Fixed Gear</b>	<b>41</b>	<b>--</b>	<b>96</b>	<b>--</b>	<b>14</b>	<b>--</b>	<b>61</b>	<b>--</b>
	Federal CG Pcod- Fixed Gear	3	--	86	--	7	--	107	--
	Federal GOA Groundfish- Trawl	11	--	950	--	0	--	0	--
	State GOA Pacific Cod	31	--	143	--	8	--	75	--
	BSAI Fixed Gear	9	--	257	--	10	--	243	--
	BSAI Trawl	1	--	*	--	0	--	0	--
	IFQ Halibut	16	--	15	--	11	--	15	--
	IFQ Sablefish	4	--	49	--	7	--	67	--
	Other	39	--	*	--	14	--	24	--
	All fisheries	41	--	544	--	14	--	423	--
Year	<b>Central GOA</b>	Number of licenses	Percent revenues	Catch (mt) per license	Revenues per license	Number of licenses	Percent revenues	Catch (mt) per license	Revenues per license
2007	<b>Federal CG Pcod- Fixed Gear</b>	<b>134</b>	<b>17%</b>	<b>108</b>	<b>\$121,245.6</b>	<b>20</b>	<b>7.1%</b>	<b>29</b>	<b>\$32,789</b>
	Federal WG Pcod- Fixed Gear	11	1%	86	\$92,956.1	0	0.0%	0	\$0
	Federal GOA Groundfish- Trawl	1	*	*	*	2	*	*	*
	State GOA Pacific Cod	48	6%	114	\$124,018.5	4	4.7%	98	\$108,602
	BSAI Fixed Gear	21	2%	68	\$95,919.4	1	*	*	*
	BSAI Trawl	0	0%	0	\$0.0	1	*	*	*
	Herring	3	*	*	*	0	0.0%	0	\$0
	IFQ Halibut	105	50%	47	\$444,565.8	10	53.5%	52	\$491,508
	IFQ Sablefish	60	10%	29	\$158,007.8	4	6.6%	26	\$152,663
	Other	126	1%	6	\$4,675.4	19	0.3%	4	\$1,559
	Salmon	67	6%	99	\$85,109.8	4	7.5%	254	\$173,208
	Shellfish	12	5%	74	\$385,152.8	3	*	*	*
All fisheries	134	100%	292	\$693,761.7	20	100.0%	\$253	\$459,274	
2008	<b>Federal CG Pcod- Fixed Gear</b>	<b>127</b>	<b>--</b>	<b>83</b>	<b>--</b>	<b>30</b>	<b>--</b>	<b>41</b>	<b>--</b>
	Federal WG Pcod- Fixed Gear	7	--	70	--	6	--	209	--
	Federal GOA Groundfish- Trawl	1	--	*	--	1	--	*	--
	State GOA Pacific Cod	48	--	124	--	11	--	49	--
	BSAI Fixed Gear	13	--	92	--	9	--	46	--
	IFQ Halibut	91	--	12	--	23	--	16	--
	IFQ Sablefish	34	--	36	--	15	--	55	--
	Other	125	--	*	--	29	--	*	--
All fisheries	127	--	495	--	30	--	219	--	

\*Note: Licenses may have participated in more than one fishery during 2000-2006. Revenues data are not available for 2008. Source: ADFG Fish Tickets (2007), NMFS Catch Accounting (2008), and RAM groundfish license file from December 2008

**Table 2-52 Participation, average annual revenues per license, and total wholesale revenues from fisheries off Alaska during 2000-2006 by fixed gear CP licenses with at least 1 GOA fixed gear directed Pacific cod landing during 2000-2006, and those with no GOA fixed gear directed Pacific cod landings during 2000-2006.**

<b>Western GOA (31 licenses)</b>	Western Gulf licenses with at least one Western Gulf directed Pacific cod landing (21 licenses)				Western Gulf licenses with no qualified Western Gulf directed Pacific cod landings (10 licenses)			
Fishery	Number of licenses in fishery	Percent revenues	Total revenues 2000-2006	Annual revenues per license	Number of licenses in fishery	Percent revenues	Total revenues 2000-2006	Annual revenues per license
<b>WG Fixed Gear</b>	<b>21</b>	<b>5.5%</b>	<b>\$26,465,697</b>	<b>\$189,041</b>	<b>0</b>	<b>0.0%</b>	<b>\$0</b>	<b>\$0</b>
CG Fixed Gear	6	0.6%	\$2,780,310	\$66,198	0	0.0%	\$0	\$0
Gulf Trawl	0	0.0%	\$0		3	9.8%	\$8,640,833	\$411,468
BSAI Fixed Gear	20	84.9%	\$410,003,073	\$2,928,593	4	34.1%	\$29,975,493	\$1,070,553
BSAI Trawl	0	0.0%	\$0		4	39.4%	\$34,593,091	\$1,235,468
IFQ	15	8.9%	\$42,919,584	\$408,758	3	16.7%	\$14,634,022	\$696,858
Other	20	0.1%	\$563,711	\$4,027	3	0.0%	\$0	\$0
<b>Total</b>	<b>21</b>	<b>100.0%</b>	<b>\$482,732,375</b>	<b>\$3,448,088</b>	<b>8</b>	<b>100.0%</b>	<b>\$87,843,439</b>	<b>\$1,568,633</b>
No landings in fisheries	0	0.0%	\$0	\$0	2	0.0%	\$0	\$0
<b>Central GOA (49 licenses)</b>	Central Gulf licenses with at least one Central Gulf directed Pacific cod landing (14 licenses)				Central Gulf licenses with no qualified Central Gulf directed Pacific cod landings (35 licenses)			
Fishery	Number of licenses in fishery	Percent revenues	Total revenues 2000-2006	Annual revenues per license	Number of licenses in fishery	Percent revenues	Total revenues 2000-2006	Annual revenues per license
<b>CG Fixed Gear</b>	<b>14</b>	<b>2.7%</b>	<b>\$6,164,413</b>	<b>\$62,902</b>	<b>0</b>	<b>0.0%</b>	<b>\$0</b>	<b>\$0</b>
WG Fixed Gear	6	1.7%	\$3,973,999	\$94,619	16	4.2%	\$23,702,800	\$211,632
Gulf Trawl	0	0.0%	\$0	\$0	5	3.7%	\$20,714,822	\$591,852
BSAI Fixed Gear	13	91.6%	\$212,580,485	\$2,336,049	22	67.0%	\$377,505,918	\$2,451,337
BSAI Trawl	0	0.0%	\$0	\$0	6	15.8%	\$89,041,838	\$2,120,044
IFQ	9	3.9%	\$9,076,583	\$144,073	22	9.1%	\$51,522,950	\$334,565
Other	12	0.1%	\$273,381	\$3,255	21	0.2%	\$865,682	\$5,889
<b>Total</b>	<b>14</b>	<b>100.0%</b>	<b>\$232,068,861</b>	<b>\$2,368,050</b>	<b>33</b>	<b>100.0%</b>	<b>\$563,354,010</b>	<b>\$2,438,762</b>
No landings in fisheries	0				2	0.0%	\$0	\$0

Source: Catch Accounting/Blend – retained catch data; Economic SAFE Report (Hiatt 2007) – First wholesale prices per ton.

\*Note: Licenses may have participated in more than one fishery during 2000-2006. Licenses participated in each fishery during at least one year from 2000-2006, but may not have participated during every year. Revenues from each fishery are averaged across the period from 2000-2006, including years when a license did not participate in the fishery, to provide an index of relative dependence over the time period. Annual revenues and dependence on the GOA fixed gear Pacific cod fisheries are shown in Table 3-21. Revenues from Western and Central GOA license tables are not additive; licenses may have both area endorsements.



**Table 2-53 Annual participation, annual revenues per license, and annual catch per license in fisheries off Alaska during 2007-2008, by fixed gear CP licenses with at least 1 GOA fixed gear directed Pacific cod landing during 2000-2006; and those with no GOA fixed gear directed Pacific cod landings during 2000-2006 (but at least 1 such landing during 2007-2008).**

<b>Western GOA</b>		Revenues and catch(mt) by licenses that have at least 1 landing during 2000-2006				Revenues and catch(mt) by licenses that only have 1 landing during 2007-Dec 8, 2008			
Year	Fishery	Number of licenses	Percent revenues	Catch (mt) per license	Revenues per license	Number of licenses	Percent revenues	Catch (mt) per license	Revenues per license
2007	<b>Federal WG Pcod- Fixed Gear</b>	11	10.9%	285	\$549,816	1	*	*	*
	Federal CG Pcod- Fixed Gear	2	*	*	*	0	0.0%	0	\$0
	BSAI Fixed Gear	9	77.1%	2,414	\$4,747,207	1	*	*	*
	IFQ Halibut or Sablefish	7	9.8%	161	\$779,101	1	*	*	*
	Other	10	*	*	*	0	0.0%	0	\$0
	<b>All fisheries</b>	<b>11</b>	<b>100.0%</b>	<b>2,440</b>	<b>\$5,039,298</b>	<b>1</b>	<b>*</b>	<b>*</b>	<b>*</b>
2008	<b>Federal WG Pcod- Fixed Gear</b>	11	--	281	--	3	--	42	--
	Federal CG Pcod- Fixed Gear	1	--	*	--	2	--	*	--
	BSAI Fixed Gear	10	--	2,282	--	1	--	*	--
	IFQ Halibut or Sablefish	6	--	137	--	3	--	211	--
	Other	9	--	*	--	3	--	4	--
	<b>All fisheries</b>	<b>11</b>	<b>--</b>	<b>2,459</b>	<b>--</b>	<b>3</b>	<b>--</b>	<b>300</b>	<b>--</b>
<b>Central GOA</b>		Revenues and catch(mt) by licenses that have at least 1 landing during 2000-2006				Revenues and catch(mt) by licenses that only have 1 landing during 2007-Dec 8, 2008			
Year	Fishery	Number of licenses	Percent revenues	Catch (mt) per license	Revenues per license	Number of licenses	Percent revenues	Catch (mt) per license	Revenues per license
2007	<b>Federal CG Pcod- Fixed Gear</b>	4	23.0%	345	\$417,605	4	10.5%	187	\$367,129
	Federal WG Pcod- Fixed Gear	1	*	*	*	2	9.2%	*	*
	BSAI Fixed Gear	1	*	*	*	3	91.8%	2,199	\$4,283,668
	IFQ Halibut or Sablefish	1	*	*	*	1	6.6%	*	*
	Other	4	0.7%	38	\$12,770	4	1.6%	38	\$54,981
	<b>All fisheries</b>	<b>4</b>	<b>100%</b>	<b>1,107</b>	<b>\$1,819,274</b>	<b>4</b>	<b>100.0%</b>	<b>1,735</b>	<b>\$3,500,122</b>
2008	<b>Federal CG Pcod- Fixed Gear</b>	5	--	157	--	5	--	201	--
	Federal WG Pcod- Fixed Gear	1	--	*	--	2	--	*	--
	BSAI Fixed Gear	3	--	3,783	--	3	--	3,139	--
	IFQ Halibut or Sablefish	1	--	*	--	2	--	*	--
	Other	5	--	67	--	5	--	3	--
	<b>All fisheries</b>	<b>5</b>	<b>--</b>	<b>2,539</b>	<b>--</b>	<b>5</b>	<b>--</b>	<b>2,000</b>	<b>--</b>

\*Note: Licenses may have participated in more than one fishery during 2000-2006. Revenues data are not available for 2008. Source: ADFG Fish Tickets (2007), NMFS Catch Accounting (2008), and RAM groundfish license file from December 2008

## 2.6.4 Effects on processors

Pacific cod landings by CVs with fixed gear LLP licenses for the Western and/or Central GOA are primarily delivered to shoreside processors in Kodiak, King Cove, Sand Point, or Dutch Harbor. During some years, there have been deliveries to at-sea processors operating offshore. The proposed action is not expected to directly impact the distribution of landings among shoreside processing communities or at-sea processors. The proposed action, in tandem with the recent trawl recency action, may stabilize the number of participants in the fixed gear and trawl gear fisheries in the GOA, discounting increases in effort from new entry under CQE or other exemption provisions. The proposed Pacific cod sector allocations also have the potential to stabilize the distribution of catch between catcher vessels and catcher processors, as well as stabilize the distribution of catch among gear types. Catcher vessels could continue to deliver to shoreside or at-sea processors, and this action would not directly impact that choice.

## 2.6.5 Effects on management, monitoring, and enforcement

Implementation of the proposed action will require NOAA Fisheries to process and adjudicate the qualifying and non-qualifying licenses, and add Pacific cod endorsements to licenses that meet the qualification criteria. Also, it will be necessary for NOAA Fisheries to make changes to databases used to administer and record license information.

Pacific cod is the primary target species of fixed gear vessels in the GOA; Pacific cod comprises more than 98% of retained catch by fixed gear vessels in the GOA, excluding halibut and sablefish IFQ catch. The Pacific cod endorsement would limit participation in the fixed gear directed Pacific cod fisheries under Federal (or parallel) management in the GOA, and it is possible that some participants that do not have a Pacific cod endorsement may use retained incidental catch to supplement their catch revenue, in less lucrative target fisheries. However, aside from the IFQ fisheries, fixed gear catch in other target fisheries is relatively low. When the directed Pacific cod season is closed, vessels targeting other species are only allowed to retain incidentally harvested Pacific cod, up to the MRA (20%). It is unlikely that many vessels will prosecute other fixed gear fisheries only as a means of accessing incidental catch of Pacific cod. Currently, a relatively small number of fixed gear vessels target other groundfish species in the GOA, and some of these vessels likely already have LLP licenses and would qualify for fixed gear Pacific cod endorsements. Requiring fixed gear LLP licenses to have Pacific cod endorsements would further reduce the number of open access fisheries available to the fixed gear sectors. However, vessels that do not qualify for an LLP license with a fixed gear Pacific cod endorsement could continue to harvest Pacific cod in the parallel and State waters fisheries.

## 2.6.6 Effects on communities

Impacts of the proposed action on communities are difficult to assess, because licenses may be freely bought and sold by residents of any State or community. Licenses are held by individuals, not communities (with the exception of the CQE provision), and individual license holders may sell or lease licenses to residents of other communities. In-depth profiles of GOA fishing communities may be found in Community Profiles for North Pacific Fisheries (NMFS 2005). This document includes profiles of 136 fishing communities in Alaska. The profiles provide demographic information on each community, and describe the history, geography, and local economy of each community. In addition, they provide detailed descriptions of each community's involvement in the North Pacific fisheries, including data on the number and type of fishing permits held by residents, and participation by those permit holders in the different fisheries. Finally, each profile provides information on subsistence, sport, and personal-use fishing activities in each community. The profiles may be found at:

<http://www.afsc.noaa.gov/REFM/Socioeconomics/Projects/CPU.php>

The State of Alaska's Community Information Summaries, which are compiled by the Alaska Department of Commerce, Community, and Economic Development (DCCED), include information on community location, population, taxes, climate, history, culture, demographics, utilities, schools, health care, economy, and transportation. The summaries may be found at:

[http://www.commerce.State.ak.us/dca/commdb/CF\\_CIS.htm](http://www.commerce.State.ak.us/dca/commdb/CF_CIS.htm)

The number of catcher vessel licenses that meet the 1 fixed gear directed Pacific cod landing threshold during 2000 through 2006 or 2000 through December 8, 2008, is reported by the current residency of license holders in Table 2-54. Alaska residents hold the greatest number of Western and Central GOA fixed gear licenses. Licenses owned by Alaska residents are more likely to have 1 landing from 2000 to 2006 or 2000 to 2008, than licenses owned by residents of other states. Nearly half of Western GOA groundfish licenses, held by Alaska residents, had at least one fixed gear directed Pacific cod landing (42% to 46%), slightly more than licenses owned by residents of other states. Between 36% and 40% of

Central GOA groundfish licenses that are held by Alaska residents, had at least one fixed gear directed Pacific cod landing. Most Central GOA groundfish licenses that had fixed gear directed Pacific cod landings, from 2000 to December 2008, are held by Alaska residents (251 of 306 active licenses). The majority of Western GOA licenses with fixed gear directed Pacific cod landings, from 2000 to December 2008, are also held by Alaska residents (71 of 110 licenses), and 33 such active licenses are held by residents of Washington.

**Table 2-54 Number of CV licenses with 1 fixed gear directed Pacific cod landing during 2000-2006 or 2000-Dec 8, 2008 by license owner's residence.**

	WG licenses	WG licenses with 1 landing from 2000-2006	Percent of licenses with 1 landing from 2000-2006	WG licenses with 1 landing from 2000-2008	Percent of licenses with 1 landing from 2000-2008
Alaska	154	64	42%	71	46%
Oregon	8	1	13%	4	50%
Washington	92	26	28%	33	36%
Other State	10	2	18%	2	18%
Grand Total	264	93	35%	110	42%

	CG licenses	CG licenses with 1 landing from 2000-2006	Percent of licenses with 1 landing from 2000-2006	CG licenses with 1 landing from 2000-2008	Percent of licenses with 1 landing from 2000-2008
Alaska	621	226	36%	251	40%
Oregon	48	11	23%	13	27%
Washington	183	21	11%	30	16%
Other State	31	11	35%	12	39%
Grand Total	883	269	30%	306	35%

Source: ADFG Fish Tickets (2000-2007), NMFS Catch Accounting (2008), and RAM groundfish license file, December 2008

The number of catcher processor licenses that meet the 1 fixed gear directed Pacific cod landing threshold during 2000 through 2006 or 2000 through December 8, 2008, is reported by the residency of license holders in Table 2-55. Out of 49 Central GOA CP licenses, 12 are held by residents of Alaska and 37 are held by residents of other states. A substantially higher percentage of licenses held by Alaska residents and residents of other states meet the 1 fixed gear landing threshold from 2000 to 2008, than from 2000 to 2006. Out of 31 Western GOA CP licenses, 3 are held by Alaska residents, and all 3 of these licenses have at least one fixed gear Pacific cod landing from 2000 to 2008. The other 28 licenses are held by residents of other states, and 21 of these licenses have at least one fixed gear Pacific cod landing from 2000 to 2008. No CP licenses are held by residents of CQE communities. Additional information on homeport locations of CPs that participate in the GOA Pacific cod fixed gear fisheries, ownership of CPs by CDQ groups, and contributions of CPs to local tax revenues, may be found in the draft initial EA/RIR/IRFA for the GOA Pacific cod sector allocations (NPFMC, 2008).

Overall, the majority of Central GOA licenses that have at least 1 fixed gear directed Pacific cod landing during the qualifying periods, are held by residents of Kodiak, Homer/Anchor Point, Cordova, and Anchorage (Table 2-56). Central GOA licenses held by residents of Kodiak Island communities and Homer area communities (including Anchor Point, Homer, and Nikolaevsk) were among the most likely to have landings. Licenses held by residents of Southeast Alaska communities were among the least likely to have fixed gear landings in the fisheries. Sitka and Petersburg residents each hold more than 30 Central GOA licenses. None of the 34 licenses held by Sitka residents, and only 2 of 32 licenses held by Petersburg residents, had at least 1 fixed gear directed Pacific cod landing from 2000 to 2006 or 2000 to 2008. Western GOA licenses that have been active in the Pacific cod fixed gear fisheries and are held by Alaska residents are primarily owned by residents of Sand Point, King Cove, and Kodiak. Western GOA

licenses held by residents of Southcentral and Southeast Alaska were less likely to have fixed gear directed Pacific cod landings in the Western GOA fisheries. For example, no Western GOA licenses held by Sitka residents (7 licenses) and only 2 of 14 licenses held by Homer residents had fixed gear directed Pacific cod landings in the Western GOA.

**Table 2-55 Number of CP licenses with 1 directed Pacific cod landing during 2000-2006 or 2000-Dec 8, 2008 by license owner's residence.**

	WG licenses	WG licenses with 1 landing from 2000-2006	Percent of licenses with 1 landing from 2000-2006	WG licenses with 1 landing from 2000-2008	Percent of licenses with 1 landing from 2000-2008
Alaska	3	2	67%	3	100%
Other states	28	19	68%	21	75%
Grand Total	31	21	68%	24	77%
	CG licenses	CG licenses with 1 landing from 2000-2006	Percent of licenses with 1 landing from 2000-2006	CG licenses with 1 landing from 2000-2008	Percent of licenses with 1 landing from 2000-2008
Alaska	12	3	25%	5	42%
Other states	37	11	30%	16	43%
Grand Total	49	14	29%	21	43%

Source: NMFS Catch Accounting and RAM groundfish license file, December 2008. \*Western GOA licenses held by Alaska residents from Juneau (1), Petersburg (1), and Seward (1). Central GOA licenses held by Alaska residents from Anchorage (1), Juneau (1), Kenai (1), Kodiak (4), Petersburg (3), Seward (1), and Sitka (1).

Finally, a summary of the number of catcher vessel owners from Alaska communities that have participated in the fixed gear fisheries in the GOA is included in Appendix A. Table A-1 reports the number of catcher vessel owners who have participated in the Federal waters, parallel waters, and State waters Pacific cod fisheries, using fixed gear, during 1995 through 2006, by community of residence. Note that this table includes landings from the Western GOA, Central GOA, and West Yakutat, because the LLP authorizes licenses with Central GOA endorsements to fish in Federal waters of West Yakutat. The tables also report gross revenues from these fisheries, and the percentage of total gross revenues from all fisheries in and off Alaska, comprised by the GOA Pacific cod fisheries in each community. This provides a measure of the relative economic importance of the GOA Pacific cod fisheries, compare with other commercial fisheries, to these communities.

**Table 2-56 Number of catcher vessel licenses with at least one directed Pacific cod landing in the endorsement area during 2000-2006 or 2000-Dec 8, 2008, reported by license owner's community of residence (Alaska communities only).**

City	CQE	WG licenses	1 landing from 2000-2008	Percent	1 landing from 2000-2006	Percent	CG licenses	1 landing from 2000-2008	Percent	1 landing from 2000-2006	Percent
Adak		1	0	0%	0	0%	2	1	50%	1	50%
Akutan		2	1	50%	1	50%	0	0	0%	0	0%
Anchor Point		2	1	50%	1	50%	15	11	73%	11	73%
Anchorage		12	5	42%	5	42%	30	8	27%	6	20%
Chignik		0	0	0%	0	0%	3	1	33%	1	33%
Chignik Lagoon	Y	1	1	100%	1	100%	5	1	20%	1	20%
Clam Gulch		0	0	0%	0	0%	3	1	33%	1	33%
Cold Bay		2	1	50%	1	50%	0	0	0%	0	0%
Copper Center		0	0	0%	0	0%	1	0	0%	0	0%
Cordova		5	0	0%	0	0%	30	5	17%	4	13%
Craig		0	0	0%	0	0%	1	0	0%	0	0%
Delta Junction		2	1	50%	0	0%	7	7	100%	7	100%
Douglas		0	0	0%	0	0%	2	0	0%	0	0%
Dutch Harbor		3	2	67%	2	67%	4	1	25%	1	25%
Eagle River		0	0	0%	0	0%	2	1	50%	1	50%
Elfin Cove		0	0	0%	0	0%	1	0	0%	0	0%
Fairbanks		0	0	0%	0	0%	1	0	0%	0	0%
False Pass		3	2	67%	2	67%	3	0	0%	0	0%
Fritz Creek		0	0	0%	0	0%	3	1	33%	1	33%
Girdwood		2	1	50%	1	50%	8	2	25%	1	13%
Gustavus		1	0	0%	0	0%	0	0	0%	0	0%
Haines		0	0	0%	0	0%	3	0	0%	0	0%
Halibut Cove	Y	0	0	0%	0	0%	1	0	0%	0	0%
Homer		13	3	23%	0	0%	114	73	64%	67	59%
Hoonah		0	0	0%	0	0%	2	0	0%	0	0%
Juneau		3	1	33%	1	33%	13	1	8%	1	8%
Kasilof		0	0	0%	0	0%	8	0	0%	0	0%
Kenai		0	0	0%	0	0%	3	0	0%	0	0%
Ketchikan		2	1	50%	1	50%	7	1	14%	1	14%
King Cove	Y	23	16	70%	16	70%	5	0	0%	0	0%
Klawock		0	0	0%	0	0%	1	0	0%	0	0%
Kodiak		22	10	45%	9	41%	135	92	68%	82	61%
Larsen Bay	Y	0	0	0%	0	0%	1	1	100%	1	100%
Nikiski		0	0	0%	0	0%	2	0	0%	0	0%
Nikolaevsk		0	0	0%	0	0%	14	8	57%	7	50%
Nome		1	0	0%	0	0%	2	1	50%	1	50%
Old Harbor	Y	0	0	0%	0	0%	9	7	78%	7	78%
Ouzinkie	Y	0	0	0%	0	0%	10	3	30%	2	20%
Palmer		1	1	100%	1	100%	4	1	25%	1	25%
Pelican		0	0	0%	0	0%	2	0	0%	0	0%
Perryville	Y	1	0	0%	0	0%	1	0	0%	0	0%
Petersburg		7	1	14%	1	14%	33	2	6%	2	6%
Port Graham	Y	0	0	0%	0	0%	1	0	0%	0	0%
Port Lions	Y	0	0	0%	0	0%	8	2	25%	2	25%
Sand Point	Y	29	19	66%	19	66%	16	1	6%	1	6%
Seldovia	Y	0	0	0%	0	0%	10	4	40%	4	40%
Seward		1	1	100%	0	0%	22	4	18%	2	9%
Sitka		7	0	0%	0	0%	34	0	0%	0	0%
Soldotna		0	0	0%	0	0%	2	1	50%	0	0%
St Paul Island		1	0	0%	0	0%	0	0	0%	0	0%
Sterling		0	0	0%	0	0%	2	0	0%	0	0%
Tatitlek	Y	0	0	0%	0	0%	1	0	0%	0	0%
Tenakee Springs		0	0	0%	0	0%	2	0	0%	0	0%
Unalaska		4	1	25%	0	0%	0	0	0%	0	0%
Valdez		0	0	0%	0	0%	6	0	0%	0	0%
Wasilla		1	1	100%	1	100%	9	2	22%	2	22%
Whittier		0	0	0%	0	0%	2	0	0%	0	0%
Willow		2	1	50%	1	50%	7	7	100%	7	100%
Wrangell		0	0	0%	0	0%	5	0	0%	0	0%
Yakutat	Y	0	0	0%	0	0%	3	0	0%	0	0%
Total Alaska		154	71	46%	64	42%	621	251	40%	226	36%

Source: ADFG Fish Tickets (2007), NMFS Catch Accounting (2008), and RAM groundfish license file from December 2008

## 2.6.7 Parallel waters issues

### Parallel waters catch by vessels without LLP licenses

If Pacific cod endorsements are added to Western and Central GOA fixed gear licenses, these endorsements would limit entry to the directed Pacific cod fisheries in each management area. Specific gear designations included on these endorsements would limit the number of licenses eligible to participate in each sector. Several tables in this document provide estimates of the number of licenses that could receive gear-specific Pacific cod endorsements. If Pacific cod sector allocations are implemented, these licenses would be eligible to fish off the respective gear and operation type allocations. However, there are gaps in the limited entry provisions of the LLP that currently allow vessels to participate in the fisheries, without an LLP license.

Although the LLP limits entry into the groundfish fisheries in Federal waters, vessels can fish in the parallel and State waters Pacific cod fisheries without an LLP license. Catches in the GOA State waters Pacific cod fishery count against a Guideline Harvest Level (GHL), which is accounted for separately from the GOA Federal Pacific cod TAC. Catches in both the parallel waters and Federal waters Pacific cod fisheries count against the Federal TAC. The remainder of this discussion addresses the GOA Pacific cod parallel and Federal waters fisheries, and not the State waters fisheries. If sector allocations are implemented, vessels without LLP licenses, and licenses without Pacific cod endorsements, could be restricted from fishing in Federal waters during the directed Pacific cod fisheries, but could continue to fish in the parallel waters fisheries. In years when fish are concentrated in inside waters, or when conditions in other fisheries are unfavorable, participation by vessels without LLP licenses may increase in the parallel waters fisheries. In the GOA, the presence of a local fleet that can readily access the parallel waters fisheries makes it more likely that during certain years, vessels without LLP licenses will fish for Pacific cod in parallel waters.

During recent years, vessels without LLP licenses have harvested a relatively small proportion of the catch in each management area. Table 2-57 shows the average number of vessels without LLPs that fished for Pacific cod during the parallel waters seasons in 2002 through 2007, retained Pacific cod catch by those vessels, and the average percentage of Pacific cod catch within each sector by these vessels. These numbers are an estimate, and are intended to provide the Council with some perspective on the extent of participation in the Pacific cod fisheries by vessels without LLP licenses.

The table also provides some insight into the level of participation within each sector by vessels without licenses. If Pacific cod sector allocations are implemented, and Pacific cod endorsements are added to fixed gear licenses, vessels without licenses, or without Pacific cod endorsements on their licenses, will continue to be eligible to fish in the parallel and State waters Pacific cod fisheries. Most hook-and-line catcher vessels that do not have LLPs and that have retained catch of Pacific cod from the parallel waters fisheries were participating in the IFQ fisheries at the time they made these Pacific cod landings. Under the LLP, vessels participating in the IFQ fisheries that do not have LLP licenses are allowed to retain incidental catch of Pacific cod. This provision in the LLP is consistent with National Standard 9 of the Magnuson-Stevens Act, and was intended to reduce the waste that occurs when discards of groundfish are required. In the Central GOA, an average of 63 hook-and-line vessels per year, during 2002 through 2007, that did not have LLP licenses had at least one landing of Pacific cod, but catch by these vessels amounted to only 2% of the catch by hook-and-line catcher vessels in the Central GOA. Overall, vessels without LLP licenses harvest a small proportion of the retained catch of Pacific cod in the Central GOA (2%) and Western GOA (5%). The majority of this catch was by pot vessels fishing without LLPs in the Western and Central GOA. Hook-and-line vessels without LLPs, harvested 11% of the Western GOA hook-and-line catch during 2002 through 2007, but hook-and-line catcher vessels typically catch less than 1% of the Western GOA catch. The majority of the jig catch in each management area is harvested by

vessels without LLP licenses, but these vessels generally harvest less than 1% of the Western and Central GOA catch.

**Table 2-57 Average number of vessels fishing in the parallel waters fisheries without an LLP license, retained catch (mt), and percent of retained catch of Pacific cod within each sector by vessels without LLPs during 2002-2007.**

		HAL CV		Jig CV		Pot CV		Trawl CV		All sectors
Year		Vessels	Catch	Vessels	Catch	Vessels	Catch	Vessels	Catch	Catch
Central GOA	2002-2007 average	63	106	15	45	5	211	1	*	362
Western GOA	2002-2007 average	11	16	9	50	7	629	1	*	695

		HAL CV	Jig CV	Pot CV	Trawl CV	All sectors
Year		Percent of sector catch	Percent of sector catch	Percent of sector catch	Percent of sector catch	Percent of total catch
Central GOA	2002-2007 average	2%	69%	3%	*	2%
Western GOA	2002-2007 average	11%	64%	9%	*	5%

Source: ADFG Fish Tickets and RAM groundfish license file, October 2008. \*Withheld due to confidentiality.

Notes: Excludes State waters fisheries. Includes IFQ fisheries, because IFQ participants may retain groundfish without an LLP (and are required to retain Pacific cod up to the MRA).

## 2.6.8 Harvest cooperative formation

Long term allocations of the Western and Central GOA Pacific cod TACs to the sectors and provisions that limit entry to the directed Pacific cod fisheries may provide opportunities for the formation of harvest cooperatives. Individual sectors may be more likely to form cooperatives, if all eligible participants are easily identified through a restrictive license limitation program, and if separate allocations are made to each sector. Pacific cod endorsements on fixed gear licenses would limit entry to the directed Pacific cod fisheries in Federal waters, but would not restrict vessels without LLP licenses, or without Pacific cod endorsements on licenses, from participating in the directed Pacific cod fisheries in the parallel waters fisheries. NOAA Fisheries does not currently have a mechanism to allocate catch history to cooperatives in the GOA Pacific cod fisheries. All vessel owners within a sector would need to voluntarily join a cooperative and abide by its bylaws, or Congressional action could be taken, or additional Council action and implementing regulations would need to be established to provide NOAA fisheries with the necessary authority to allocate Pacific cod to individual cooperatives.

In the GOA Pacific cod fisheries, the hook-and-line catcher processor sector may be the sector that is most likely to form a harvest cooperative. Traditionally, most of the freezer longliner fleet fishes for Pacific cod in the BSAI, then moves into the GOA after the BSAI Pacific cod seasons close. In 2005, the BSAI freezer longliner fleet voluntarily agreed not to fish in the GOA during the B season, because NMFS inseason management was concerned that there was not sufficient halibut PSC to support this fleet. As a result, in 2006, 2007, and 2008 the freezer longliners set up an informal 'PSC co-op' with NMFS inseason management during the B season, and also during the A season in 2008. Under the B season arrangement, the third seasonal apportionment of halibut PSC was informally divided between catcher processors and catcher vessels. The freezer longliners then further divided the catcher processor PSC among vessels fishing the B season. This informal cooperation in sharing PSC suggests that this sector has the potential to establish a formal harvest cooperative.

The freezer longliner fleet is relatively small, and the proposed action could potentially limit the number of participants in this sector, by adding gear-specific Pacific cod endorsements to fixed gear licenses.

There are currently 53 fixed gear catcher processor licenses with Central and/or Western GOA area endorsements; 49 of these licenses have Central GOA endorsements and 31 licenses have Western GOA endorsements. Based upon the different qualifying periods under consideration, a total of from 16 to 22 Western GOA licenses, and from 10 to 18 Central GOA licenses, have at least one hook-and-line landing in the directed Pacific cod fisheries and could qualify for Pacific cod hook-and-line catcher processor endorsements, depending upon the final form of the Council's action. If the landings or catch thresholds are set higher, even fewer licenses would qualify for Pacific cod endorsements. If Pacific cod sector allocations are established, total catch by hook-and-line catcher processors would be capped by the allocations. If vessels in this sector form a harvest cooperative subsequent to the implementation of sector allocations, this sector could potentially take advantage of increased production efficiencies of fishing cooperatively, but would not be able to increase the sector's overall harvest of the Western and Central GOA Pacific cod TACs. However, if vessels fish the catcher processor allocations cooperatively, some vessels in this fleet could opportunistically act as catcher vessels and fish off the hook-and-line catcher vessel allocations. This would be fully consistent with the present management design in this fishery, described earlier in this document (i.e., qualified CPs operating in a CV mode). If the Council perceives this to be a potential problem, NOAA fisheries could account for catch based on the operation type on a license's Pacific cod endorsement, rather than based on the vessel's activity. While this approach would preclude CPs that haven't previously operated as CVs from opportunistically operating as CVs, and thereby eroding the CV allocation, it would penalize vessel operators who hold CP licenses, and have historically participated as CVs, by restricting their mode of operation.

## 2.6.9 Interactions with other recent or proposed actions

A number of past actions have limited effort by individual vessels or sectors in the BSAI and GOA groundfish and crab fisheries. The halibut and sablefish IFQ program, BSAI crab rationalization program, Amendment 67 (BSAI Pacific cod fixed gear endorsements), and Amendments 64 and 85 (BSAI Pacific cod sector allocations) limit entry to some fisheries and sectors. For example, the halibut and sablefish IFQ program and BSAI crab rationalization program provide exclusive allocations to fixed gear vessels and exclude entry by holders of latent licenses from participation in those programs. In effect, these programs foreclose certain fisheries to new entry. Holders of latent licenses who wish to re-enter the fishing industry off Alaska have access to fewer fisheries, except, where provided for, through the marketplace.

Rationalization programs may expose participants in remaining open access fisheries to increased effort by these displaced participants. In addition, rationalization programs can result in sufficiently large economic and operational efficiencies for recipients of exclusive allocations that they are able to increase effort in open access fisheries. Sideboards are often imposed on participants in rationalized programs to prevent these spillover effects. For example, in developing the BSAI crab rationalization program, the Council imposed sideboards on the GOA fisheries. Pot vessels generally participate in only the crab and Pacific cod fisheries. As a result, the only perceived increase in opportunity arising from the crab rationalization program was thought to be in the Pacific cod fisheries in the GOA that are prosecuted in January, when the Bering Sea *C. opilio* fishery is typically prosecuted. Only recipients of initial allocations<sup>16</sup> in the Bering Sea *C. opilio* fishery are subject to the sideboards. There are 82 sideboarded vessels and 37 sideboarded groundfish licenses. The sideboards limit these vessels and licenses to their historic share of retained catch of GOA Pacific cod and other GOA groundfish during 1996 to 2000, excluding catch of fixed gear sablefish. Vessels that have limited history in the GOA groundfish fisheries – less than 50 mt of catch during 1996 to 2000 – are prohibited from directed fishing for Pacific cod in the GOA. Vessels that landed less than 100,000 pounds of Bering Sea *C. opilio* and more than 500 mt of

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<sup>16</sup> Since allocations in the program are based on catch history associated with a license, the sideboard is constructed to limit catch using the license. This is done by sideboarding any vessel the catch of which led to a share allocation and any vessel named on the license that arose from the catch history of the vessel that led to that allocation.



Pacific cod in the GOA, from 1996 to 2000, are exempt from the sideboards. No sideboards were specified under the halibut and sablefish IFQ program, as the potential for spillover effects from these fisheries was considered to be limited.

The proposed GOA Pacific cod sector allocations would limit effort by each sector in the fisheries by capping the percentage of the Western and Central GOA TACs available to each sector. Increased effort in one sector, via the re-entry of latent effort into the fisheries, would reduce average catch (and gross revenues) for other participants in that sector. The adverse impacts of the entry of latent effort are often exacerbated for sectors with substantial latent capacity. For example, the majority of fixed gear catcher vessel licenses with Western or Central GOA endorsements do not have any recent (2000-2006 or 2000-2008) landings in the directed Pacific cod fisheries in the GOA. Re-entry of these licenses into these fisheries has the potential to intensify competition for the TACs. If Pacific cod sector allocations are accompanied by provisions that limit entry into the directed Pacific cod fisheries, for example, by adding Pacific cod endorsements to fixed gear licenses, the fixed gear sectors would be protected from potential re-entry of latent fixed gear licenses into the directed Pacific cod fisheries, with the exception of effort entering through CQE or other special exemption under consideration by the Council. However, new provisions that limit access to the GOA Pacific cod fisheries would also reduce the number of open access fisheries. The remaining open access fisheries could be even more vulnerable to increased competition, should displaced participants enter these fisheries.

## **2.6.10 Net benefits to the Nation**

Overall, this action is likely to have a limited effect on net benefits realized by the Nation. Under the status quo (Alternative 1), all existing fixed gear LLP licenses would continue to have the “potential” to participate in the directed Pacific cod fisheries in Federal waters of the Western and Central GOA. Their entry would increase overall effort in the fisheries. This increase in effort could contribute to losses of production efficiency. Costs could rise slightly, if participants perceive a need to increase effort to secure their historic catches. The increase in effort could contribute to more aggressive fishing and processing practices, both of which contribute to lower quality and less value added production. The extent of these potential effects is very difficult to predict and depends on several factors, including future TAC levels, market conditions, and operating costs.

Under the proposed action (Alternative 2), gear-specific Pacific cod endorsements would be added to fixed gear groundfish LLP licenses that have recent catch history in the Western or Central GOA directed Pacific cod fisheries. As a result, licenses that do not receive a Pacific cod endorsement would not be eligible to enter the Western or Central GOA Pacific cod Federal waters fisheries in the future, removing the potential for an influx of effort into these fisheries. All licenses would continue to have access to the GOA Pacific cod parallel waters fisheries. Preventing these licenses from entering the Pacific cod fisheries in Federal waters in the future could contribute to long term stability in this fishery. Limiting effort in the fisheries could contribute to slowing down the fisheries, although if TACs continue to decline and market conditions for Pacific cod continue to improve, the pace of the fisheries is unlikely to slow down.

Minor changes in consumer surplus could accompany any change in production outputs. Specifically, changes in product outputs and quality could have effects on consumers. The difference in consumer surplus across the alternatives is likely to be quite small. In addition, any change in U.S. consumer surplus is likely to be diluted, since much of the production from these fisheries is exported for overseas secondary processing and consumption. As a result, only a portion of any consumer surplus benefit resulting from the proposed action is likely to be realized as a U.S. benefit.

Implementation of the action alternative would require NOAA fisheries to process and adjudicate the qualifying and non-qualifying licenses. The license limitation file administered by NOAA fisheries will need to be updated to reflect the changes to existing licenses. Also, NOAA fisheries will need to update

and make changes to databases used to store license information, in order to track Pacific cod endorsements that have non-transferable status. These costs would not be incurred under the no action alternative. The addition of gear-specific Pacific cod endorsements to fixed gear licenses will introduce new administrative costs for NOAA fisheries, and possibly create new enforcement costs.

The main economic benefit from the proposed action is that it will prevent the possibility of future entry of existing latent fixed gear LLP licenses into the Western and Central GOA directed Pacific cod fisheries in Federal waters, and will primarily benefit LLP license owners who are economically dependent on the GOA Pacific cod fisheries (as defined by the Council's qualification criteria). The action may have modest distributional effects among persons eligible to enter licenses into the directed Pacific cod fisheries that are subject to the LLP.

### **2.6.11 Preferred Alternative**

The Council recommended Alternative 2, which would add non-severable, gear-specific Pacific cod endorsements to fixed gear licenses. These endorsements would limit entry into the directed Pacific cod fisheries in Federal waters of the Western and Central GOA management areas. Within Alternative 2, the Council recommended Component 1, which applies the action to both the Western and Central GOA (note that the Central GOA includes West Yakutat for purposes of the LLP).

In Component 2, the Council defined the sectors as hook-and-line CP, pot CP, hook-and-line CV <60 ft LOA, hook-and-line CV ≥60 ft LOA, pot CV <60 ft LOA, pot CV ≥60 ft LOA, and jig. The purpose of defining sectors was to allow the Council to choose different catch or landings thresholds for each sector. The Council exempted vessels using jig gear from the LLP requirement (including the Pacific cod endorsement requirement) in all directed groundfish fisheries in the GOA, if the vessel uses a maximum of 5 jigging machines, 5 lines, and 30 hooks per line. In addition, the Council added a provision to Component 2 that increases the MLOA designation on CV LLPs <50 ft MLOA that qualify for a pot endorsement to 50 ft MLOA.

Under Component 3, the Council recommended the qualifying years 2002 through December 8, 2008. The option to extend the qualifying period through December 8, 2008, was added to the motion at the Council's December 2008 meeting. The Council also recommended including a provision in Component 3 to exempt hook-and-line CP licenses from the 50 mt catch threshold, if they voluntarily stood down from the Western or Central GOA Pacific cod fisheries during 2006, 2007, or 2008, as part of the informal halibut PSC co-op. The Council recommended that these licenses receive a hook-and-line CP Pacific cod endorsement, but that they may only participate in the offshore sector.

Under Component 4, the Council recommended that licenses be eligible to qualify for one or more gear-specific Pacific cod endorsements, based on Pacific cod landings during the directed Pacific cod fishery. Landings in both the parallel and Federal waters directed Pacific cod fisheries count toward the thresholds. Catch in the State waters fisheries, and incidental catch of Pacific cod in the IFQ fisheries, does not count toward the thresholds. Catcher processor licenses are credited with both catcher processor and catcher vessel landings (i.e., landings of both operation types). This is the same rule that was used in the trawl recency action.

The thresholds selected were 1 landing for jig gear; 10 mt for less than 60 ft MLOA pot and hook-and-line CVs; 50 mt for greater than 60 ft MLOA pot and hook-and-line CVs; and 50 mt for pot and hook-and-line CPs. In cases where a vessel <60 ft LOA is assigned to a license with an MLOA designation of greater than 60 ft, the license may qualify at the lower threshold, but the MLOA of the license will be amended to match the LOA of the vessel assigned to the license. These LLP licenses must have been assigned to a <60 ft LOA vessel during the entire qualifying period. Under Component 5, the Council

recommended that when multiple LLPs are assigned to a single license, also known as ‘stacking’ of licenses, Pacific cod harvest history be fully credited to all stacked licenses.

Finally, the Council recommended that Component 7 be included, as revised at the April 2009 meeting. A description of the revisions to Component 7, and the rationale for the changes, is included in the next section. Under Component 7, the Council recommended that qualified CQEs be eligible to request, from NMFS, non-transferable, fixed gear groundfish licenses with a Pacific cod endorsement and the area endorsement in which the community is located. Licenses would have an MLOA designation of 60 ft. Western GOA licenses would be endorsed for pot gear, and Central GOA CQEs will be eligible to choose either pot or hook-and-line endorsement, based on the rule described in the motion.

## **Rationale for and effects of preferred alternative**

The preferred alternative recommended by the Council would substantially limit the number of licenses eligible to participate in the directed Pacific cod fisheries in Federal waters of the Western and Central GOA. The intent of the proposed amendment is to prevent the future entry or re-entry of latent fixed gear licenses into the fixed gear Pacific cod fisheries, which could have adverse effects on license holders that have recently participated in, and exhibited dependence on, the fisheries. In the short term, this action may not result in a meaningful change from the status quo, because most licenses with recent participation qualify for a Pacific cod endorsement. The action may have a long-term effect, if any of the non-qualifying licenses would have entered the fishery in the future in the absence of this action. The Council’s recommended alternative also retains Federal waters opportunities for residents of CQE eligible communities and expands Federal waters opportunities for jig vessels. The Council noted that these provisions would likely have a minimal impact on catches of recent participants.

Licenses qualify for a Pacific cod endorsement, based on the sector definitions in Component 2, the qualifying years in Component 3, and the catch (mt) or landings thresholds for each sector in Component 4. The qualifying years (2002 through December 8, 2008) credit licenses for catch made during a 7-year period, including the two years (2007 and 2008) during which the Council was developing this amendment package. This qualifying period includes the most recent time period under consideration by the Council, and was one of the least restrictive options for defining recent participation in the fisheries. The sector definitions identified under Component 2 allowed the Council to select different catch thresholds, based on gear type, operation type, and the MLOA designation on the license. The rationale for this approach was that larger catcher vessels and catcher processors generally have larger annual catches than smaller catcher vessels. The catch thresholds selected (1 landing for jig gear; 10 mt for <60 ft LOA CVs; 50 mt for ≥60 ft LOA CVs and all CPs) are relatively modest, and are less than the average annual catches by vessels in these sectors. The modest thresholds reflect the Council’s intent of taking an inclusive approach to defining recent participation.

**Table 2-58 Summary of Council's Preferred Alternative**

<b>COMPONENT</b>	<b>ALTERNATIVE 2</b> Add non-severable, gear-specific Pacific cod endorsements to fixed gear licenses that would limit entry into the directed Pacific cod fisheries in the Western and Central GOA.
<b>Component 1:</b> Areas included	Western GOA and Central GOA. Different options may be selected for each management area.
<b>Component 2:</b> Identify and define sectors	Different catch thresholds may be selected for different gear types, operation types, and vessel lengths. Individual licenses may qualify for more than one gear-specific endorsement (jig, hook-and-line, and pot). <ul style="list-style-type: none"> <li>• Hook-and-line CP</li> <li>• Hook-and-line <math>\geq 60</math> and Hook-and-line <math>&lt; 60</math></li> <li>• Pot CP</li> <li>• Pot CV <math>\geq 60</math> and Pot CV <math>&lt; 60</math></li> <li>• Jig</li> </ul> <b>Provision</b> to exempt vessels using jig gear from the LLP requirement if they use a maximum of 5 jigging machines, 1 line per machine, and 30 hooks per line. Licenses with a jig Pacific cod endorsement not subject to gear limits.
	<b>Option:</b> CV LLPs that qualify for a pot endorsement that have an MLOA of $< 50$ ft will be increased to 50 ft MLOA.
<b>Component 3:</b> Qualifying years	<b>Option 2:</b> 2002-2006 <b>AND</b> <b>Option 3, Suboption 2:</b> 2007- December 8, 2008  <b>Provision:</b> GOA hook-and-line catcher processor LLP licenses that participated in the informal PSC co-op during 2006, 2007, or 2008 will receive a hook-and-line CP Pacific cod endorsement, but will be limited to participating in the offshore processing sector in the GOA P.cod fishery.
<b>Component 4:</b> Catch thresholds	Qualifying catch is defined as Pacific cod landings made when the directed Pacific cod fisheries are open, and includes Federal and parallel waters landings. IFQ and State waters cod landings are excluded.  1 landing for jig gear 10 mt for $< 60$ ft pot and $< 60$ ft hook-and-line CVs 50 mt for $\geq 60$ ft pot and $\geq 60$ ft hook-and-line CVs 50 mt for pot CPs and hook-and-line CPs  <b>Provision:</b> Licenses with an MLOA of $\geq 60$ ft assigned to vessels with an LOA of $< 60$ ft may qualify for a P.cod endorsement at the $< 60$ ft threshold.
<b>Component 5:</b> Stacked licenses	<b>Provision:</b> When multiple LLPs are 'stacked' on a single vessel, qualifying catch history will be fully credited to all stacked licenses.
<b>Component 7:</b> CQE communities	<b>Provision</b> to provide fixed gear LLP licenses to qualified Community Quota Entities (CQEs) in the Western GOA and Central GOA. Licenses would have an MLOA of 60 ft and either a pot or hook-and-line endorsement. A maximum of 50 Central GOA and 21 Western GOA licenses would be issued; the details of how these licenses will be distributed among CQEs are described in Chapter 2. Licenses could be used by persons who meet the definition of a CQE resident, also described in Chapter 2.

**Note:** This table provides a general summary of the components and options in the Council's preferred alternative. See Appendix B for the exact wording of the final motion.

The Council considered several exemptions from the proposed action, and from the LLP requirement. Two exemptions were selected as part of the preferred alternative. First, the Council recommended that jig gear be exempt from the LLP requirement in the GOA, subject to gear limits (5 jig machines, 5 lines per machine, and 30 hooks per line). The Council considered vessel length restrictions for the jig gear exemption, but decided that a length limit was not necessary. The rationale for the exemption was to provide increased Federal waters opportunities for jig vessels. Second, the Council recommended that hook-and-line CP licenses be exempt from the 50 mt catch threshold, if they voluntarily stood down from the Western or Central GOA Pacific cod fisheries during 2006, 2007, or 2008, as part of the informal halibut PSC co-op. These vessels could have participated in the GOA Pacific cod fishery during the most recent qualifying years and, thus, met the catch threshold, but voluntarily chose to stand down from the fishery. The vessels volunteered not to participate in the GOA Pacific cod fishery as part of an effort to prevent the closure of the fishery to all hook-and-line vessels due to halibut PSC. Vessels that receive a hook-and-line CP Pacific cod endorsement as a result of this exemption will be limited to participating in the offshore sector, which will minimize impacts to catcher vessels and <125 ft CPs that choose to participate in the inshore sectors.

The Council did not recommend exempting vessels using fixed gear from the Pacific cod endorsement requirement during the Western GOA B season. The Western GOA B season TAC has not been fully harvested since the seasonal apportionments were established in 2001, and the exemption was intended to expand fishing opportunities during the B season. During its deliberations, the Council noted that it is currently considering a proposed action to exempt BSAI crab-qualified vessels from the Pacific cod sideboards in the Western GOA during the B season. This action would also expand B season fishing opportunities, and was proposed prior to the Pacific cod endorsement exemption. Public testimony has indicated support for the sideboard exemption, but the Council did not receive public testimony in support of the Western GOA B season Pacific cod endorsement exemption. Based on these considerations, the Council did not recommend the B season Pacific cod endorsement exemption as part of this action. In addition, the Council did not select the hardship provision in Component 4 as part of its preferred alternative. The licenses that would qualify for a Pacific cod endorsement under this provision only had GOA Pacific cod landings in 1999, and the Council's preferred alternative recommends the qualifying years 2002 through 2008. Allowing licenses to qualify under the hardship provision, based on landings made 3 years earlier than the general qualifying period, did not appear to be consistent with the overall action (or consistent with the definition of recency used in the rest of the action). Finally, the Council added a provision to Component 2 that increases the MLOA designation on CV LLPs <50 ft MLOA that qualify for a pot endorsement to 50 ft MLOA. The Council received public testimony in support of this option, which would allow an estimated 4 license holders to assign a larger vessel (up to 50 ft LOA) to their licenses.

Component 5 was included to clarify how catch will be credited to licenses in cases where multiple licenses are stacked on a single vessel. In earlier versions of this analysis, the Council considered options to divide catch history among stacked licenses. However, in December 2008, the Council removed this option from the motion, as a result of several concerns that were raised. Dividing catch history among stacked licenses could substantially complicate and delay implementation of the action. In addition, vessels stack licenses for operational reasons, for example, to gain an additional area endorsement. The intent of dividing catch history among stacked licenses was to preclude licenses that were stacked for speculative purposes from being credited with the catch history of a single vessel. The drawback to this approach is that it isn't possible to ascertain the reason licenses were stacked (i.e., for operational vs. speculative purposes). At the minimum threshold of 1 landing, the effects of fully crediting stacked licenses with catch history were more pronounced. At the Council's recommended thresholds of 10 mt and 50 mt, the effects of stacking were diminished. After considering the potential benefits and drawbacks to each approach, the Council recommended that groundfish harvest history be fully credited to all stacked licenses.

As part of this action, the Council considered adding a vessel capacity endorsement (i.e., length-to-width ratio or simple gross tonnage limit) to fixed gear licenses. These options were included in Component 6 of the motion. The intent of these options was to limit entry of high capacity vessels (particularly 58 ft to 60 ft LOA vessels) into the GOA Pacific cod fishery. Currently, LLP licenses have a MLOA designation, but there is no limit on the width or tonnage of the vessel that may be assigned to a license. The capacity endorsement would provide such a limit, by restricting vessels to a 3-to-1 length-to-width ratio or a gross tonnage limit, based on the length overall or gross tonnage of the vessel currently assigned to the license.

At the April 2009 meeting, the Council reviewed a discussion paper prepared by NMFS that described regulatory, enforcement, and safety concerns with the proposed capacity endorsement. Staff indicated that vessel width and simple gross tonnage can be defined in regulation, but the regulations could impose substantial costs on participants, if measurements are required to be certified by a marine surveyor. Enforcement staff expressed concern that vessel width and gross tonnage may be difficult to measure in the field. Finally, establishing regulations that discourage specific vessel configurations may conflict with National Standard 10 (safety at sea). As a result of the concerns expressed in the discussion paper, public testimony, and during AP and Council deliberations, the Council removed the capacity endorsement options included in Component 6 from the final motion. The Council also removed language from the purpose and need statement that specifically addressed the vessel capacity issue.

Previously, Component 7 would have exempted licenses held by residents of CQE communities from the catch or landings thresholds. There were several administrative and implementation issues with this approach, described in detail in this analysis. Staff identified two possible alternative approaches to Component 7. The first was to exempt all licenses held by residents of CQE communities from the catch thresholds, based on a one-time application for the exemption. License holders would not be required to remain residents of the CQE community in order to retain the Pacific cod endorsement. While this approach may provide a direct benefit to individual license holders, it may provide less of a long-term benefit to the community, if license holders leave the community.

A second alternative approach that was identified is to make a specific number of fixed gear LLP licenses available to each CQE community. There are a number of benefits and drawbacks to this second approach, which are summarized here and described in more detail in the analysis of Component 7. The main benefit is that it would provide opportunities for new entrants who reside in the CQE eligible communities to participate in the directed Pacific cod fishery. Only 14 of the 21 Southcentral and Southwest Alaska CQE communities currently have residents who hold fixed gear licenses, and not all of these communities have residents who will qualify for a Pacific cod endorsement. Providing licenses to all 21 of the CQE communities would give residents in each community the opportunity to access the Pacific cod fishery. One possible drawback is that many CQE communities currently have active participants in the GOA Pacific cod fisheries who will likely qualify for Pacific cod endorsements. Making additional licenses available to CQE community residents could increase competition for access to the local fishery, if participation increases. Also, there are currently no regulations that prevent CQEs from purchasing groundfish licenses. After considering the benefits and drawbacks to each approach, and comments provided during public testimony, the Council revised Component 7 at the April 2009 meeting and recommended that a specific number (see Table 2-57) of fixed gear licenses be made available to each CQE eligible community.

The number of licenses estimated to qualify for gear-specific Pacific cod endorsements is shown in Table 2-59. Under the Council's recommended alternative, 36% (95 of 264) of existing Western GOA CV licenses and 24% (216 of 883) of existing Central GOA CV licenses would receive at least one gear-specific Pacific cod endorsement. In addition, 68% (21 of 31) of Western GOA and 55% (27 of 49) Central GOA CP licenses would receive at least one gear-specific Pacific cod endorsement. Table 2-59

also shows the number of endorsements, by gear type, operation type, and the MLOA designation on the license. Under Component 7, a total of 21 pot CV licenses would be made available to Western GOA CQE communities, and 50 CV licenses (26 pot and 24 hook-and-line) would be available to Central GOA CQE communities. All of these licenses would have an MLOA designation of less than 60 ft. Finally, the hook-and-line CP licenses that qualify under the halibut PSC co-op exemption are limited to participating in the offshore sector, including 3 Western GOA and 12 Central GOA CP licenses.

The proposed action would not affect the GOA Pacific cod sideboards established for BSAI crab-qualified vessels and licenses. A substantial proportion of the licenses that will receive a pot CV endorsement and have an MLOA of greater than 60 ft are subject to the sideboards (10 of 21 Western GOA pot CV  $\geq 60$  ft and 10 of 27 Central GOA pot CV  $\geq 60$  ft). There are 4 sideboarded fixed gear CP licenses with a Western GOA area endorsement and 4 licenses with a Central GOA area endorsement. All of these CP licenses qualify for a pot or hook-and-line Pacific cod endorsement, but will continue to be subject to the sideboards.

**Table 2-59 Number of licenses estimated to qualify for gear-specific Pacific cod endorsements, and maximum number of licenses available to CQE communities.**

	Western GOA	Central GOA
Hook-and-line CV <60 ft	7	123
Hook-and-line CV $\geq 60$ ft	3	7
Pot CV <60 ft	59	51
Pot CV $\geq 60$ ft	21	27
Jig CV	11	19
Total CV*	94	215
<u>Additional licenses available to CQEs</u>		
CQE Pot CV <60 ft	21	26
CQE Hook-and-line CV <60 ft	0	24
Hook-and-line CP <125 ft	9	5
Hook-and-line CP $\geq 125$ ft	7	7
Hook-and-line CP <125 ft Offshore Limited**	0	5
Hook-and-line CP $\geq 125$ ft Offshore Limited**	3	7
Pot CP	4	3
Total CP*	21	27

\*Total number of licenses that will receive at least one gear-specific Pacific cod endorsements. Some licenses qualify for more than one endorsement.

\*\*Licenses that qualify for a hook-and-line CP endorsement under the exemption for participants in the voluntary PSC co-op are limited to participating in the offshore sector.

## 3.0 ENVIRONMENTAL ASSESSMENT

The purpose of this environmental assessment (EA) is to analyze the environmental impacts of the proposed action to add gear-specific Pacific cod endorsements to fixed gear LLP licenses that would limit entry to the Western and Central GOA directed Pacific cod fisheries. An EA is intended to provide sufficient evidence of whether or not the environmental impacts of the action are significant (40 CFR 1508.9).

This chapter analyzes the alternatives for their effects on the biological, physical, and human environment. Each section discusses the environment that would be affected by the alternatives and then describes the impacts of the alternatives. The following components of the environment are discussed: the Pacific cod fishery, other groundfish fisheries, incidental and prohibited species catch, seabirds and marine mammals, benthic habitat, essential fish habitat, ecosystem effects, economic impacts and management considerations, and cumulative effects.

The criteria listed in Table 3-1 are used to evaluate the significance of impacts. If significant impacts are likely to occur, preparation of an Environmental Impact statement (EIS) is required. Although economic and socioeconomic impacts must be evaluated, such impacts by themselves are not sufficient to require the preparation of an EIS (see 40 CFR 1508.14).

**Table 3-1 Criteria Used to Evaluate the Alternatives.**

<b>Component</b>	<b>Criteria</b>
Fish species	An effect is considered to be significant if it can be reasonably expected to jeopardize the sustainability of the species or species group.
Habitat	An effect is considered to be significant if it exceeds a threshold of more than minimal and not temporary disturbance to habitat.
Seabirds and marine mammals	An effect is considered to be significant if it can be reasonably expected to alter the population trend outside the range of natural variation.
Ecosystem	An effect is considered to be significant if it produces population-level impacts for marine species, or changes community- or ecosystem-level attributes beyond the range of natural variability for the ecosystem.

### 3.1 Purpose and Need statement

The LLP limits access to the groundfish and crab fisheries in the Bering Sea, Aleutian Islands, and GOA.<sup>17</sup> In the mid to late 1990s, the Council developed the LLP to address capacity concerns and take a first step toward rationalization of the groundfish fisheries under its management. Fishing under the program began in 2000. Competition among fixed gear participants in the Western and Central GOA Pacific cod fisheries has intensified in recent years, and long-term participants are concerned about the potential for latent fixed gear licenses to re-enter the fisheries. The proposed amendment would address this concern by adding gear-specific Pacific cod endorsements to fixed gear licenses that have recent landings in the Western GOA and Central GOA directed Pacific cod fisheries. If entry to the Pacific cod fisheries is not limited by a Pacific cod endorsement requirement, future entry of latent effort into the

<sup>17</sup> Amendment 39 to the BSAI groundfish plan and Amendment 41 to the groundfish plan for the GOA established the LLP. The primary rules governing the LLP are contained in 50 CFR 679.4(k).



Western and Central GOA Pacific cod fisheries could further intensify competition among fixed gear participants and erode catches of long-term participants.

To address these concerns, the Council adopted the following problem statement:

#### **GOA Fixed Gear Recency Purpose and Need statement**

Western GOA and Central GOA Pacific cod fisheries are subject to intense competition, particularly during the A season, when fish are aggregated and of highest value. Competition among fixed gear participants in the Western GOA and Central GOA Pacific cod fisheries has increased for a variety of reasons, including increased market value of Pacific cod products, a declining ABC/TAC, increased participation by harvesters displaced from other fisheries and introduction of capital that has been accrued from participation in rationalized fisheries. The possible future entry of latent effort would have detrimental effects on LLP holders that have exhibited participation in, and dependence on, the fixed gear Pacific cod fisheries. Many fixed gear vessel owners have made significant investments, have long catch histories, and are dependent on the Western GOA and Central GOA Pacific cod resources. These long-term participants need protection from those who have little or no recent history and who have the ability to increase their participation in the Pacific cod fisheries. At the same time, retaining Federal waters opportunities for small community quota eligible (CQE) communities dependent on access to a range of fishery resources and expanding opportunities in Federal waters for small capacity jig operations is valued to promote community protections at a level that imposes minimal impact on historic catch shares of recent participants.

The intent of the proposed amendment is to prevent the future entry or re-entry of latent fixed gear groundfish fishing capacity that has not been utilized in recent years into the Pacific cod fisheries. This requires prompt action to promote stability in the fixed gear sectors of the GOA Pacific cod fisheries, and is expected to be implemented concurrently with the division of GOA Pacific cod among sectors which is currently under consideration. However, this action cannot address continued growth in the waters managed by the State of Alaska.

### **3.2 Summary of Alternatives and Components Under Consideration**

This analysis considers two alternatives. **Alternative 1** (no action) would not make any changes to the existing License Limitation Program (LLP). **Alternative 2** would add gear-specific Pacific cod endorsements to fixed gear groundfish LLP licenses, which would limit entry into the directed Pacific cod fisheries in Federal waters of the Central and Western GOA. There are seven components under Alternative 2 that outline the details of the proposed action. The alternatives and components are summarized in Table 3-2. See Chapter 1 for the exact wording of the alternatives, components, and options under consideration.

**Table 3-2 Summary of Alternatives, Components, and Options under Consideration**

COMPONENT	ALTERNATIVES and OPTIONS	
	ALTERNATIVE 1	ALTERNATIVE 2
<b>Component 1:</b> Areas included	No action.	Add non-severable, gear-specific Pacific cod endorsements to fixed gear licenses that would limit entry into the directed Pacific cod fisheries in the Western and Central GOA.
<b>Component 2:</b> Identify and define sectors	N/A	<p>Western GOA and Central GOA. Different options may be selected for each management area.</p> <p>Different catch thresholds may be selected for different gear types, operation types, and vessel lengths. Individual licenses may qualify for more than one gear-specific endorsement (jig, hook-and-line, and pot).</p> <ul style="list-style-type: none"> <li>• Hook-and-line CP</li> <li>Option: Hook-and-line CP <math>\geq 125</math> and Hook-and-line CP <math>&lt; 125</math></li> <li>• Hook-and-line CV</li> <li>Option: Hook-and-line <math>\geq 60</math> and Hook-and-line <math>&lt; 60</math></li> <li>• Pot CP</li> <li>• Pot CV</li> <li>Option: Pot CV <math>\geq 60</math> and Pot CV <math>&lt; 60</math></li> <li>• Jig</li> </ul> <p><b>Provision</b> to exempt vessels using jig gear from the LLP requirement if they use a maximum of 5 jiggling machines, 1 line per machine, and 30 hooks per line. Licenses with a jig Pacific cod endorsement not subject to gear limits.</p> <p><b>Option</b> to exempt vessels using fixed gear in the Western GOA B season directed Pacific cod fishery from the Pacific cod endorsement requirement. <b>Suboption</b> to exempt pot gear only.</p>
		<b>Option:</b> CV LLPs that qualify for a pot endorsement that have an MLOA of $< 50$ ft will be increased to 50 ft MLOA.
<b>Component 3:</b> Qualifying years	N/A	<p><b>Option 1:</b> 2000-2006  <b>Option 2:</b> 2002-2006  <b>Option 3:</b> Add the qualifying period January 1, 2007 through:</p> <ul style="list-style-type: none"> <li><b>Suboption 1:</b> June 4, 2008</li> <li><b>Suboption 2:</b> December 8, 2008</li> </ul> <p>(Suboption 1 or 2 <b>will</b> be selected in addition to Opt 1 or Opt 2)</p> <p><b>Suboption 3:</b> If an LLP license qualifies only when the supplemental range of years in Suboption 1 or Suboption 2 is included, any Pacific cod endorsements granted to licenses under these suboptions would be extinguished upon transfer of the LLP license to another vessel or owner.</p> <p><b>Provision:</b> GOA hook-and-line catcher processor LLP licenses that participated in the informal PSC co-op during 2006, 2007, or 2008 will receive a hook-and-line CP Pacific cod endorsement, but will be limited to participating in the offshore processing sector in the GOA P.cod fishery.</p>

**Note:** This table provides a general summary of the alternatives, components and options in the Council’s motion. See Chapter 2 for the exact wording of the motion.

**Table 3-2 (continued) Summary of Alternatives, Components, and Options under Consideration**

COMPONENT	ALTERNATIVES and OPTIONS	
	ALTERNATIVE 1	ALTERNATIVE 2
<p><b>Component 4:</b> Catch thresholds</p> <p><b>Component 4</b> <b>(continued)</b></p>	N/A	<p>Qualifying catch is defined as Pacific cod landings made when the directed Pacific cod fisheries are open, and includes Federal and parallel waters landings. IFQ and State waters cod landings are excluded.</p> <p><b>Option 1:</b> 1, 3, or 5 landings <b>Option 2:</b> 5 mt, 10 mt, 25 mt, or 100 mt</p> <p><b>Option:</b> Hardship provision for licenses assigned to vessels that sank in 1999 or 2000.</p> <p><b>Provision:</b> Licenses with an MLOA of <math>\geq 60</math> ft assigned to vessels with an LOA of <math>&lt; 60</math> ft may qualify for a P.cod endorsement at the <math>&lt; 60</math> ft threshold.</p>
<b>Component 5:</b> Stacked licenses		<b>Provision:</b> When multiple LLPs are 'stacked' on a single vessel, qualifying catch history will be fully credited to all stacked licenses.
<b>Component 6:</b> Capacity limits		<b>Provision</b> to add a width restriction to each fixed gear LLP license that receives a Pacific cod endorsement under this action. The width restriction would be 1 ft of width for each 3 ft of length, based on the LOA of the vessel assigned to the license. Suboption to add a gross tonnage limit.
<b>Component 7:</b> CQE communities		<b>Provision</b> to provide fixed gear LLP licenses to qualified Community Quota Entities (CQEs) in the Western GOA and Central GOA. Licenses would have an MLOA of 60 ft and either a pot or hook-and-line endorsement. A maximum of 50 Central GOA and 21 Western GOA licenses would be issued; the details of how these licenses will be distributed among CQEs are described in Chapter 2. Licenses could be used by persons who meet the definition of a CQE resident, also described in Chapter 2.

**Note:** This table provides a general summary of the alternatives, components and options in the Council’s motion. See Chapter 2 for the exact wording of the motion.

### 3.3 Groundfish Fisheries

#### 3.3.1 GOA Environment

The action area includes the Western and Central GOA. The documents listed below contain information about the fishery management areas, fisheries, marine resources, ecosystem, social, and economic elements of the GOA groundfish fisheries.

Alaska Groundfish Harvest Specifications Final Environmental Impact Statement (NMFS 2007a). This EIS provides decision makers and the public an evaluation of the environmental, social, and economic effects of alternative harvest strategies for the Federally-managed groundfish fisheries in the GOA and the Bering Sea and Aleutian Islands management areas. The EIS examines alternative harvest strategies that comply with Federal regulations, the GOA FMP, and the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act). These strategies are applied to the best available scientific information to derive the total allowable catch estimates for the groundfish fisheries. The EIS evaluates the effects of different alternatives on target species, non-specified species, forage species, prohibited species, marine mammals, seabirds, essential fish habitat, ecosystem relationships, and economic aspects of the GOA fisheries.

Stock Assessment and Fishery Evaluation (SAFE) Report for the Groundfish Resources of the GOA (NPFMC 2007). Annual SAFE reports review recent research and provide estimates of the biomass of each species and other biological parameters. The SAFE report includes the acceptable biological catch (ABC) specifications used by NMFS in the annual harvest specifications. The SAFE report also summarizes available information on the GOA ecosystem and the economic condition of the groundfish fisheries off Alaska. This document is available from: <http://www.afsc.noaa.gov/refm/stocks/assessments.htm>.

### **3.3.2 Pacific Cod**

Pacific cod (*Gadus macrocephalus*) is the primary groundfish species targeted by the fixed gear sectors in the Western and Central GOA. Pacific cod is widely distributed in the GOA and occurs at depths from shoreline to 500 m (Thompson et al. 2006). Pacific cod are moderately fast growing, and females reach 50% maturity at approximately 5.8 years old. Spawning occurs during January through April in the GOA. Pacific cod are demersal and concentrate on the shelf edge and upper slope at depths of 100-250 m in the winter, and move to shallower waters (<100 m) in the summer.

The Pacific cod resource is managed under three discrete TACs in the GOA: the Western GOA TAC, the Central GOA TAC, and the Eastern GOA TAC. In addition, the GOA Pacific cod TACs are divided between the A season (60%) and B season (40%), and are apportioned to the inshore processing component (90%) and offshore component (10%). Historically, the majority of the GOA Pacific cod catch has come from the Central and Western GOA management subareas. Final 2008 harvest specifications apportioned 57% of the GOA catch to the Central GOA (28,426 mt), 39% to the Western GOA (19,449 mt), and 5% to the Eastern GOA (2,394 mt).

Table 3-3 summarizes levels of acceptable biological catch (ABC), total allowable catch (TAC), and actual catch of Pacific cod in the Federal and State waters fisheries in the GOA from 1985 to 2008. From 1989 to 1996, the Federal TAC was set at 100% of the acceptable biological catch (ABC). The Federal TAC has been set below the ABC since 1997 to accommodate the State waters Pacific cod fishery. Total catch in the Federal and State Pacific cod fisheries averaged 87% of the ABC from 1997 to 2008. Most of the unharvested Federal TAC during recent years has been the result of low harvests during the B season, particularly in the Western GOA. In addition, 25% of the Western and Central GOA Pacific cod ABC is allocated to the State waters fisheries, and the State Guideline Harvest Levels (GHLs) have not been fully harvested during recent years. In 2006 and 2007, less than 75% of the GOA ABC was harvested.

Effects of the proposed action depend to some extent on current and future abundance of the Pacific cod stock. Model projections indicate that the Pacific cod stock is not overfished. However, the ABC is projected to decline over the next several years due to below average recruitment levels during a series of recent years. A comprehensive description of recent survey data and biomass projections is available in the groundfish SAFE report (NMFS 2008a).

#### ***Effects of the Alternatives***

Current management of the GOA Pacific cod fisheries was analyzed in detail in the Groundfish PSEIS (NOAA 2004a). This analysis is updated annually during the harvest specifications process for the groundfish fisheries (NMFS 2006a). These analyses concluded that the Pacific cod stock is currently being managed at a sustainable level and that the probability of overfishing occurring is low. The status quo management of Pacific cod is not expected to have a significant impact on the long-term sustainability of the GOA Pacific cod stock.

The proposed action would add gear-specific Pacific cod endorsements to fixed gear LLP licenses to limit entry to the Western and Central GOA directed Pacific cod fisheries. Participants with recent fishing history would receive a Pacific cod endorsement and would continue to have access to the fishery. Alternative 2 would not change the proportion of the TAC harvested by the various fixed gear sectors. In effect, Alternative 2 maintains the status quo division of catch among the fixed gear sectors by stabilizing participation within each sector. The proposed action would not change the annual harvest specifications process, which sets TACs at appropriate levels to prevent the stock from being overfished. As a result, the proposed action is not expected to have a significant effect on the sustainability of the Pacific cod stock.

**Table 3-3 Total catch in the Federal and State GOA Pacific cod fisheries, total allowable catch (TAC) for the Federal fishery, and acceptable biological catch (ABC), 1985-2008.**

Year	Federal catch	Federal TAC	Percentage of TAC harvested	State catch	Total catch	ABC	Percentage of ABC harvested
1985	14,428	60,000	24.0%	n/a	14,428	n/a	n/a
1986	25,012	75,000	33.3%	n/a	25,012	136,000	18.4%
1987	32,939	50,000	65.9%	n/a	32,939	125,000	26.4%
1988	33,802	80,000	42.3%	n/a	33,802	99,000	34.1%
1989	43,293	71,200	60.8%	n/a	43,293	71,200	60.8%
1990	72,517	90,000	80.6%	n/a	72,517	90,000	80.6%
1991	76,328	77,900	98.0%	n/a	76,328	77,900	98.0%
1992	80,747	63,500	127.2%	n/a	80,747	63,500	127.2%
1993	56,487	56,700	99.6%	n/a	56,487	56,700	99.6%
1994	47,484	50,400	94.2%	n/a	47,484	50,400	94.2%
1995	68,985	69,200	99.7%	n/a	68,084	69,200	98.4%
1996	68,280	65,000	105.0%	n/a	68,150	65,000	104.8%
1997	68,476	69,115	99.1%	8,648	77,124	81,500	94.6%
1998	62,121	66,060	94.0%	10,509	72,630	77,900	93.2%
1999	68,614	67,835	101.1%	13,838	82,453	84,400	97.7%
2000	54,508	58,715	92.8%	12,043	66,551	76,400	87.1%
2001	41,619	52,110	79.9%	9,926	51,544	67,800	76.0%
2002	42,345	44,230	95.7%	12,219	54,564	57,600	94.7%
2003	41,191	40,540	101.6%	11,618	52,809	52,800	100.0%
2004	43,154	48,033	89.8%	13,752	56,905	62,810	90.6%
2005	35,236	44,433	79.3%	12,761	47,996	58,100	82.6%
2006	37,973	52,264	72.7%	10,338	48,311	68,859	70.2%
2007	39,857	52,264	76.3%	11,904	51,761	68,859	75.2%
2008	43,494	50,269	86.5%	13,396	56,890	66,493	85.6%

Source: 2006 Groundfish SAFE Report, Pacific cod stock assessment (Thompson et al., 2006), NMFS Blend and Catch Accounting databases (1995-2008 Federal catch), and Sagalkin (2007) (State waters catch).

### 3.3.3 Other Groundfish Fisheries

The fixed gear sectors primarily participate in the directed Pacific cod fisheries in the GOA and catch other groundfish species incidentally while targeting cod. More than 98% of groundfish catch by vessels using fixed gear is comprised of Pacific cod, excluding IFQ halibut and sablefish catch. Vessels participating in the IFQ fisheries are not required to hold LLP licenses, and these fisheries will not be discussed further in this EA. Other species retained by vessels using fixed gear include skates, rockfish, pollock, and octopus. The proposed action is not expected to result in significant changes in catch levels of other groundfish species. Overall levels of fishing effort by each gear sector, and the timing and location of fishing activities, are not expected to change under the proposed action.

### 3.4 Halibut Prohibited Species Catch

Halibut prohibited species catch allowances are currently allocated separately to the GOA trawl and hook-and-line sectors, according to the guidelines outlined in 50 CFR 679.21(d). Halibut PSC allowances are not apportioned by management subarea within the GOA. The 2008 PSC allowances for the GOA Pacific cod trawl and hook-and-line fisheries are shown in Table 3-4. The pot and jig sectors are exempt from halibut PSC limits. The GOA-wide halibut PSC mortality allowance is 2000 mt for the trawl sector and 300 mt for the hook-and-line sector (including 10 mt set aside for the demersal shelf rockfish fishery).

The hook-and-line allowance is divided into three seasons: January 1 to June 10 (the A season for Pacific cod), June 10 to September 1, and September 1 to December 31 (the B season for Pacific cod). The trawl allowance is divided not only seasonally, but also between the shallow-water species complex (including the pollock, Pacific cod, shallow-water flatfish, flathead sole, Atka mackerel, skates, and the “other species” directed fisheries) and the deep-water species complex (all other fisheries, which includes Pacific Ocean perch, northern rockfish, pelagic shelf rockfish, and deep-water flatfish). Halibut bycatch during the directed Pacific cod fishery is counted against the shallow-water trawl halibut PSC apportionment. This apportionment is divided into four seasons: January 20 to April 1, April 1 to July 1, July 1 to September 1, and September 1 to October 1. In addition, a separate apportionment that is not divided between the shallow-water and deep-water complexes is available for use from October 1 to December 31. Unused seasonal halibut PSC apportionments are rolled over to the following season. Halibut PSC limits often determine season closure dates for the trawl sector, and to a lesser extent, for the hook-and-line sector.

**Table 3-4 Halibut prohibited species catch seasonal allowances in the GOA, 2008**

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

Source: NMFS 2008-2009 harvest specifications for the groundfish fisheries in the GOA.

Halibut PSC usage in the GOA Pacific cod target fisheries during 2001 through 2008 is summarized in Table 3-5. The table reports PSC by catcher vessels and catcher processors using pot or hook-and-line gear. The pot sector is not subject to PSC limits in the GOA, and halibut PSC by pot vessels is reported for informational purposes only. Prohibited species catch limits for halibut apply to the hook-and-line sector and constrain bycatch levels. Inseason managers monitor halibut PSC in the Pacific cod fisheries and close the directed fisheries if halibut PSC limits are reached. After such a closure, the directed fisheries are typically reopened when the next seasonal apportionment of halibut PSC becomes available.

It is important to note that halibut PSC estimates are based on the best available data, and some sectors have relatively low levels of observer coverage. The hook-and-line CV fleet has a very low observer coverage level. In recent years, only 2 to 4 hook-and-line catcher vessels have carried observers for any portion of the Pacific cod season in the GOA.

**Table 3-5 Halibut prohibited species catch (PSC) (mt) by vessels targeting Pacific cod in the Western and Central GOA**

Western GOA				
Year	HAL CP	HAL CV	Pot CP	Pot CV
2001	122	0	0	1
2002	100	0	*	1
2003	98	1	*	6
2004	99	0	*	8
2005	34	6	*	7
2006	104	2	0	5
2007	85	9	*	5
2008	60	18	*	13
Central GOA				
Year	HAL CP	HAL CV	Pot CP	Pot CV
2001	*	144	1	3
2002	63	75	0	1
2003	11	75	*	3
2004	26	166	0	8
2005	*	158	0	25
2006	46	172	0	14
2007	33	162	*	13
2008	40	284	0	17

Source: NMFS Catch Accounting PSC Database (2003-2008) and Blend PSC Database (2001-2002)

### 3.5 Marine Mammals

Marine mammals occur in diverse habitats in the GOA, and include both resident and migratory species. Species that occur in the GOA are listed below (NOAA 2004b). The Groundfish PSEIS (NOAA 2004a) provides descriptions of the range, habitat, diet, abundance, and population status for these marine mammals. Annual stock assessment reports prepared by the National Marine Mammal Laboratory provide population estimates, population trends, and estimates of potential biological removals (Angliss and Outlaw 2007).

#### NMFS Managed Species

**Pinnipeds:** Steller sea lion (Western U.S., Eastern U.S.), Northern fur seal (Eastern Pacific), Harbor seal (Southeast Alaska, GOA, Bering Sea), Spotted seal (Alaska), Bearded seal (Alaska), Ringed seal (Alaska), Ribbon seal (Alaska).

**Cetaceans:** Beluga Whale (Beaufort Sea, Eastern Chukchi Sea, Eastern Bering Sea, Bristol Bay, Cook Inlet), Killer whale (Eastern North Pacific Northern Resident, Eastern North Pacific transient), Pacific White-sided dolphin (North Pacific), Harbor porpoise (Southeast Alaska, GOA), Dall's porpoise (Alaska), Sperm whale (North Pacific), Baird's beaked whale (Alaska), Cuvier's beaked whale (Alaska), Stejneger's beaked whale (Alaska), Gray whale (Eastern North Pacific), Humpback whale (Western North Pacific, Central North Pacific), Fin whale (Northeast Pacific), Minke whale (Alaska), North Pacific right whale (North Pacific)

#### USFWS Managed Species

Northern sea otter (Southeast Alaska, Southcentral Alaska, Southwest Alaska), Pacific walrus (Alaska)

Direct and indirect interactions between marine mammals and the groundfish fisheries result from temporal and spatial overlap between commercial fishing activities and marine mammal occurrence. Direct interactions include injury or mortality due to entanglement in fishing gear. Indirect interactions include overlap in the size and species of groundfish important both to the fisheries and to marine

mammals as prey. The GOA Pacific cod target fisheries are classified as Category III fisheries under the Marine Mammal Protection Act. Category III fisheries are unlikely to cause mortality or serious injury to more than 1% of the marine mammal's potential biological removal level, calculated on an annual basis (50 CFR 229.2). Taking of marine mammals is monitored by the North Pacific observer program.

Marine mammals listed under the Endangered Species Act (ESA) that may be present in the GOA are listed in Table 3-6. All of these species are managed by NMFS, with the exception of Northern Sea Otter, which is managed by U.S. Fish and Wildlife Service. A Biological Opinion evaluating impacts of the groundfish fisheries on the endangered species managed by NMFS was completed in November 2000 (NMFS 2000). The western population segment of Steller sea lions was the only ESA-listed species identified as likely to be adversely affected by the groundfish fisheries. A new Section 7 consultation was initiated in 2006. NMFS is also currently consulting with USFWS on the distinct southwest Alaska population of northern sea otters.

**Table 3-6 ESA-listed marine mammal species that occur in the GOA.**

<b>Common Name</b>	<b>Scientific Name</b>	<b>ESA Status</b>
Steller Sea Lion (Western Population)	<i>Eumetopias jubatus</i>	Endangered
Steller Sea Lion (Eastern Population)	<i>Eumetopias jubatus</i>	Threatened
Blue Whale	<i>Balaenoptera musculus</i>	Endangered
Fin Whale	<i>Balaenoptera physalus</i>	Endangered
Humpback Whale	<i>Megaptera novaeangliae</i>	Endangered
Right Whale	<i>Balaena glacialis</i>	Endangered
Sei Whale	<i>Balaenoptera borealis</i>	Endangered
Sperm Whale	<i>Physeter macrocephalus</i>	Endangered
Northern Sea Otter	<i>Enhydra lutris</i>	Threatened

A Biological Opinion addressing Steller sea lion management issues was completed in 2001 (NMFS 2001b), and found that the under the new suite of protection measures, the GOA groundfish fisheries were unlikely to jeopardize the continued existence of the western population of Stellar sea lions or adversely modify critical habitat. Protection measures include area-specific closures around rookeries and haulouts and seasonal divisions of TACs to disperse fishing effort throughout the year. The Pacific cod fishing season was divided into two periods: 60% of the TAC was allocated to the A season (Jan. 1 – June 10) and 40% to the B season (June 10 – Dec. 31). The objective was to limit the total amount of cod harvested in the first half of the year. Pacific cod is one of the four most important prey items of Steller sea lions and is especially important to sea lions during winter (Sinclair and Zeppelin 2002).

Since 2000, the western population of Steller sea lions has been increasing. However, the 2004 count (38,988 animals) was still 7.4% lower than the 1996 count and 32.6% lower than the 1990 count. In the GOA, the 2004 count (9,005 animals) was 12.6% higher than the 2000 count (7,995 animals), but was 45.1% lower than the 1990 count. Annual counts at haulouts and rookeries represent a minimum population estimate and are not corrected to account for animals that were at sea during the surveys (Angliss and Outlaw 2007). The minimum estimate of incidental mortality due to commercial fishing activities in all waters off Alaska is 24.2 sea lions per year, which is slightly more than 10% of the allowable level (234 animals) of removal for this stock (Angliss and Outlaw 2007). No incidental mortalities of Steller sea lions caused by the fixed gear sectors in the GOA were observed during 2000-2005.

## **Effects of the Alternatives**

Impacts of the GOA fixed gear Pacific cod fishery on Steller sea lions were analyzed in the Programmatic SEIS (NOAA 2004a) and in the 2001 Biological Opinion. Current management practices were found to



have no adverse impacts on marine mammals, including Steller sea lions. As a result, the status quo alternative is not expected to have a significant impact on Steller sea lions or other marine mammals.

The proposed action would add Pacific cod endorsements to fixed gear licenses, limiting entry to the directed Pacific cod fisheries in the Western and Central GOA to vessels with recent participation in the fisheries. The timing, location, and overall level of fishing effort in the GOA Pacific cod and other groundfish fisheries is not expected to change, and there will be no changes in the harvest specifications process. Annual mortality of Steller sea lions is not expected to change under the proposed action, because fishing effort by the various gear sectors will remain similar to the status quo. Sector allocations will continue to be divided into seasonal apportionments to disperse fishing effort throughout the year.

### 3.6 Seabirds

Various species of seabirds occur in the GOA, including resident species, migratory species that nest in Alaska, and migratory species that only occur in Alaska outside of the breeding season. The most numerous seabirds in Alaska are northern fulmars, storm petrels, kittiwakes, murres, auklets, and puffins. There are 38 species of seabirds that breed in Alaska. A list of species is provided below.<sup>18</sup> Eight species breed only in Alaska and in Siberia. Populations of five other species are concentrated in Alaska but range throughout the North Pacific region. Marine waters off Alaska provide critical feeding grounds for these species as well as others that do not breed in Alaska but migrate to Alaska during summer, and for other species that breed in Canada or Eurasia and overwinter in Alaska. A detailed analysis of the effects of commercial fisheries on seabirds appears in the Alaska Groundfish Fisheries Programmatic Supplemental Environmental Impact statement (NMFS 2004). The Groundfish PSEIS also provides descriptions of the range, habitat, diet, abundance, and population status for these seabirds.

#### Species nesting in Alaska

**Tube-noses-Albatrosses and relatives:** Northern Fulmar, Fork-tailed Storm-petrel, Leach's Storm-petrel

**Kittiwakes and terns:** Black-legged Kittiwake, Red-legged Kittiwake, Arctic Tern, Aleutian Tern

**Pelicans and cormorants:** Double-crested Cormorant, Brandt's Cormorant, Pelagic Cormorant, Red-faced Cormorant

**Jaegers and gulls:** Pomarine Jaeger, Parasitic Jaeger, Bonaparte's Gull, Mew Gull, Herring Gull, Glaucous-winged Gull, Glaucous Gull, Sabine's Gull

**Auks:** Common Murre, Thick-billed Murre, Black Guillemot, Pigeon Guillemot, Marbled Murrelet, Kittlitz's Murrelet, Ancient Murrelet, Cassin's Auklet, Parakeet Auklet, Least Auklet, Wiskered Auklet, Crested Auklet, Rhinoceros Auklet, Tufted Puffin, Horned Puffin

#### Species that visit Alaska waters

**Tube-noses:** Short-tailed Albatross, Black-footed Albatross, Laysan Albatross, Sooty Shearwater, Short-tailed Shearwater

**Gulls:** Ross's Gull, Ivory Gull

The Northern Fulmar accounts for the majority of incidental seabird take in the groundfish fisheries, and is one of the most abundant species breeding in Alaska. The hook-and-line sector causes most of this take. Three ESA-listed species occur in waters off Alaska (see Table 3-6), and Kittlitz's Murrelet is a candidate species for listing under the ESA. The U.S. Fish and Wildlife Service (USFWS) has primary responsibility for managing seabirds, and has evaluated effects of the BSAI and GOA FMPs and the harvest specifications process on currently listed species in two Biological Opinions (USFWS 2003a and 2003b). Both Biological Opinions concluded that the groundfish fisheries, including the GOA Pacific

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<sup>18</sup>Source: (USFWS web site Seabirds. Species in Alaska. Accessed at <http://alaska.fws.gov/mbsp/mbm/seabirds/species.htm> on August 31, 2007).

cod fishery, are unlikely to jeopardize populations of listed species or adversely modify or destroy critical habitat for listed species.

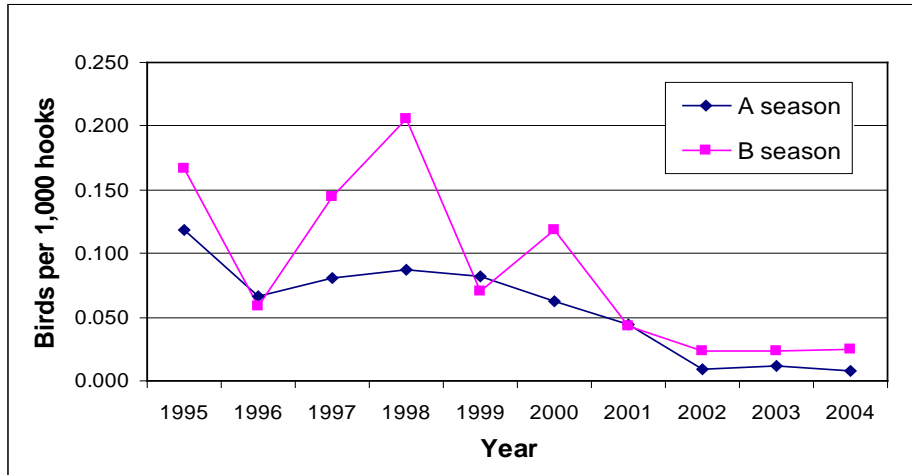
**Table 3-7 ESA-listed and candidate seabird species that occur in the management area.**

<b>Common Name</b>	<b>Scientific Name</b>	<b>ESA Status</b>
Short-tailed Albatross	<i>Phoebastria albatrus</i>	Endangered
Steller's Eider	<i>Polysticta stelleri</i>	Threatened
Spectacled Eider	<i>Somateria fishcheri</i>	Threatened
<b>Kittlitz's Murrelet</b>	<i>Brachyramphus brevirostris</i>	Candidate

The fixed gear Pacific cod fisheries in the GOA have direct and indirect impacts on seabirds. Seabird take is the primary direct effect of fishing operations. Seabirds are taken in the hook-and-line Pacific cod fisheries in two ways. While hooks are being set, seabirds attracted to the bait may become entangled in fishing lines. Seabirds are also caught directly on baited hooks. Hook-and-line and trawl gear accounts for the majority of the seabird take in the groundfish fisheries.

Indirect effects of fishing on seabirds include impacts to food sources. The fixed gear fisheries may reduce the biomass of prey species available to seabird populations. Fishing gear may disturb benthic habitat used by seabirds that forage on the seafloor and reduce available prey. Bottom trawl gear is the primary source of benthic habitat disturbance in the groundfish fisheries. Fishing activities may also create feeding opportunities for seabirds, for example when catcher processors discard offal.

Hook-and-line gear accounts for the majority of seabird take in the North Pacific groundfish fisheries. Depending on which estimates are used, hook-and-line gear accounts for either 65% or 94% of seabird bycatch in the BSAI and GOA combined (Fitzgerald et al. 2006). Seabird bycatch by the GOA hook-and-line fisheries consists of 46% fulmars, 34% albatrosses, 12% gull species, 5% unidentified seabirds, 2% shearwater species, and less than 1% of 'all other' species (Fitzgerald et al. 2006). Most bycatch of Black-footed Albatross in waters off Alaska occurs in the GOA hook-and-line fisheries. From 2000 to 2004, an estimated 88 Black-footed Albatross were taken annually in the GOA hook-and-line fisheries. Total seabird bycatch in the GOA hook-and-line fisheries peaked in 1996 at 1,649 birds, and decreased to 156 birds in 2004, despite an increase in fishing effort. The incidental catch rate in the GOA decreased from an annual average of 0.021 birds per 1,000 hooks from 1993 to 2004 to 0.01 birds per 1,000 hooks from 2000 to 2004.



Source: AFSC. Data include BSAI and GOA hook-and-line CP fisheries.

**Figure 3-1 Seabird bycatch rates by hook-and-line catcher processors during the Pacific cod A and B seasons, 1995-2004.**

Figure 3-1 compares seabird bycatch rates per 1,000 hooks by the hook-and-line catcher processor fleet during the A and B seasons from 1995 to 2004, and includes data from both the BSAI and GOA. Seabird bycatch by hook-and-line catcher processors is higher during the B season than during the A season, but bycatch rates have been reduced substantially since 2001 as a result of widespread use of seabird avoidance techniques such as paired streamer lines. The average bycatch rate for hook-and-line catcher processors from 2002 through 2004 was 0.018 birds per 1,000 hooks (Figure 3-1), a substantial reduction from previous years.

Due to different sampling procedures on trawl vessels, two sets of estimates are calculated for seabird bycatch. Average annual take by trawl vessels in the GOA from 1993 to 2004 was either 63 birds or 97 birds (Fitzgerald et al. 2006). Northern Fulmars comprised the majority of bycatch by trawl vessels during this period. Seabird bycatch by the groundfish pot sector has historically been very low. Average annual bycatch in the GOA pot sector from 1993 to 2004 was 55 seabirds, less than 1% of the average annual seabird bycatch in the groundfish fisheries.

### Effects of the Alternatives

The Groundfish PSEIS (NMFS 2004a) concluded that the current GOA groundfish fisheries are not adversely impacting ESA-listed seabird species. Biological Opinions by the USFWS (2003a and 2003b) concluded that the groundfish fisheries in the GOA are unlikely to jeopardize populations of listed species or adversely modify or destroy critical habitat for listed species. Based on current estimates of seabird bycatch, the status quo alternative is not likely to have a significant impact on seabird populations.

The proposed action would add Pacific cod endorsements to fixed gear LLP licenses to limit entry to the Western and Central GOA directed Pacific cod fisheries. Overall levels of fishing effort by each gear sector, and the timing and location of fishing activities are not expected to change. The proposed action will not modify the management practices analyzed in previous Biological Opinions (USFWS 2003a and 2003b), is not likely to cause additional adverse effects to ESA-listed species, and is not likely to increase incidental takes of listed species. Consequently, the proposed action is not likely to have a significant impact on seabird populations.

### **3.7 Essential Fish Habitat**

Essential fish habitat (EFH) is defined as those areas necessary to fish for spawning, breeding, feeding, or growth to maturity. Section 303(a)(7) of the Magnuson-Stevens Act requires all FMPs to describe and identify Essential Fish Habitat (EFH). In addition, FMPs must minimize to the extent practicable adverse effects of fishing on EFH and identify other actions to conserve and enhance EFH. Maps and descriptions of EFH for the GOA groundfish species are available in the Environmental Impact statement for Essential Fish Habitat Identification and Conservation in Alaska (NMFS 2004). This document also describes the importance of benthic habitat to different groundfish species and the impacts of different types of fishing gear on benthic habitat. Benthic habitat is potentially impacted by fishing practices that contact the seafloor. The analysis concludes that there are long term effects of fishing on benthic habitat features off Alaska and acknowledges that considerable scientific uncertainty remains regarding the consequences of those effects on the sustained productivity of managed species. Based on the best available scientific information, the EIS concludes that there are no indications that current fishing activities are altering the capacity of EFH to support health populations of managed species over the long term. The analysis concludes that no Council-managed fishing activities have more than a minimally adverse effect on EFH, which is the regulatory standard requiring action to minimize adverse effects under the MSA. The Council elected to adopt a variety of new measures to conserve EFH, which were implemented in 2006.

#### **Effects of the Alternatives**

The effects of the GOA Pacific cod fixed gear fisheries on benthic habitat and EFH were analyzed in the EFH EIS (NMFS 2005e). In the Pacific cod hook-and-line fishery, anchors, groundline, ganglions, and hooks potentially contact the seafloor. The Pacific cod pot fishery has a very small footprint (an estimated 0.17 square mile footprint for the GOA and BSAI combined). The jig fishery has no direct contact with the seafloor, although contact may occur incidentally. Year-round area closures protect sensitive benthic habitat. Current fishing practices have minimal or temporary effects on benthic habitat and essential fish habitat. These effects are likely to continue under Alternative 1, and are not considered to be significant. Under the proposed action, the location, timing, and overall level of fishing effort by the various fixed gear sectors will remain essentially the same as under Alternative 1. As a result, impacts on benthic and essential fish habitat under this alternative are not expected to be significant.

### **3.8 Ecosystem Considerations**

Ecosystems consist of communities of organisms interacting with their physical environment. Within marine ecosystems, competition, predation, and environmental disturbance cause natural variation in recruitment, survivorship, and growth of fish stocks. Human activities, including commercial fishing, can also influence the structure and function of marine ecosystems. Fishing may change predator-prey relationships and community structure, introduce foreign species, affect trophic diversity, alter genetic diversity, alter habitat, and damage benthic habitats.

The GOA Pacific cod fishery potentially impacts the GOA ecosystem by relieving predation pressure on shared prey species (i.e., species which are prey for both Pacific cod and other species), reducing prey availability for predators of Pacific cod, altering habitat, imposing bycatch mortality, or by ghost fishing caused by lost fishing gear. Ecosystem considerations for the GOA groundfish fisheries are summarized annually in the GOA Stock Assessment and Fishery Evaluation (SAFE) report (NPFMC 2005). These considerations are summarized according to the ecosystem effects on the groundfish fisheries as well as the potential fishery effects on the ecosystem.

## Effects of the Alternatives

An evaluation of the effects of the GOA fixed gear groundfish fisheries on the ecosystem is conducted annually in the Ecosystem Assessment section of the Stock Assessment and Fishery Evaluation report (NMFS 2006b) and in the Harvest Specifications SAFE report (NMFS 2006c). These analyses conclude that the current GOA fixed gear groundfish fisheries do not produce population-level impacts to marine species or change ecosystem-level attributes beyond the range of natural variation. Consequently, Alternative 1 is not expected to have a significant impact on the ecosystem.

Alternative 2 will not change the overall level of Pacific cod or groundfish harvest from the status quo. The level of fishing effort by each fixed gear sector, and the location and timing of fishing activities is not expected to change. As a result, Alternative 2 is not likely to have a significant impact on the ecosystem.

## 3.9 Economic Impacts

A detailed description of the economic and socioeconomic components of the GOA fixed gear groundfish fisheries and an analysis of the effects of the proposed action may be found in the Regulatory Impact Review (Chapter 2 of this document).

## 3.10 Cumulative Effects

Analysis of the potential cumulative effects of a proposed action and its alternatives is a requirement of NEPA. Cumulative effects result from the incremental impact of the proposed action in addition to past, present, and reasonably foreseeable future actions. The Alaska Groundfish Fisheries PSEIS (NOAA 2004a) assesses the potential direct and indirect effects of groundfish FMP policy alternatives in combination with other factors that affect physical, biological and socioeconomic components of the BSAI and GOA environment.

Beyond the cumulative impacts analysis documented in the Groundfish PSEIS, no additional past, present, or reasonably foreseeable cumulative negative impacts on the natural and physical environment (including fish stocks, essential fish habitat, ESA-listed species, marine mammals, seabirds, or marine ecosystems), fishing communities, fishing safety or consumers have been identified that would occur as a result of the proposed action. The proposed action, in combination with other actions, may have additional economic effects on the fixed gear sectors that participate in the GOA Pacific cod fisheries. In recent years, several regulatory changes implemented to protect Steller sea lions have had economic effects on participants in the GOA Pacific cod fisheries. The cumulative impacts from recent management actions are one of the driving forces behind industry support for the proposed amendment. Other fisheries in the region are subject to increasingly restrictive management measures. The GOA Pacific cod fisheries are among the few open access fisheries remaining. Participants that depend on these fisheries are concerned that changes in other fisheries will result in increased numbers of displaced vessels entering the GOA Pacific cod fisheries. Recent actions include:

- the IFQ halibut and sablefish fisheries
- AFA rationalization of the BSAI pollock fishery
- Amendment 67 to the BSAI groundfish management plan that established LLP endorsements specifically for fixed gear Pacific cod fishery participants
- BSAI crab rationalization
- GOA Rockfish Pilot Program – initially approved for two years but recently extended under reauthorization of the Magnuson-Stevens Act
- GOA and BSAI trawl LLP recency

Several reasonably foreseeable future actions are expected to have additional social and economic effects on these sectors, including the GOA Pacific cod sector allocations and revisions to the GOA Pacific cod sideboards. These social and economic effects are addressed in the Regulatory Impact Review (RIR), found in Chapter 2 of this document.

## 4.0 FINAL REGULATORY FLEXIBILITY ANALYSIS (FRFA)

### 4.1 Introduction

The Regulatory Flexibility Act (RFA), first enacted in 1980, 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 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.

On March 29, 1996, President Clinton signed the Small Business Regulatory Enforcement Fairness Act. Among other things, the new law amended the RFA to allow judicial review of an agency's compliance with the RFA. The 1996 amendments also updated the requirements for a final regulatory flexibility analysis, including a description of the steps an agency must take to minimize the significant economic impact on small entities. Finally, the 1996 amendments expanded the authority of the Chief Counsel for Advocacy of the Small Business Administration (SBA) to file *amicus* briefs in court proceedings involving an agency's alleged violation of the RFA.

Under 5 U.S.C., Section 604(a) of the RFA, each FRFA is required to contain:

- a succinct statement of the need for, and objectives of, the rule;
- a summary of the significant issues raised by the public comments in response to the initial regulatory flexibility analysis, a summary of the assessment of the agency of such issues, and a statement of any changes made in the proposed rule as a result of such comments;
- a description of and an estimate of the number of small entities to which the rule will apply or an explanation of why no such estimate is available;
- a description of the projected reporting, recordkeeping and other compliance requirements of the rule, including an estimate of the classes of small entities which will be subject to the requirement and the type of professional skills necessary for preparation of the report or record; and
- a description of the steps the agency has taken to minimize the significant economic impact on small entities consistent with the stated objectives of applicable statutes, including a statement of the factual, policy, and legal reasons for selecting the alternative adopted in the final rule and why each one of the other significant alternatives to the rule considered by the agency which affect the impact on small entities was rejected.

In determining the scope, or ‘universe’, of the entities to be considered in a FRFA, the National Marine Fisheries Service (NMFS) generally includes only those entities that can reasonably be expected to be directly regulated by the action. If the effects of the rule fall primarily on a distinct segment, or portion thereof, of the industry (e.g., user group, gear type, geographic area), that segment would be considered the universe for the purpose of this analysis. NMFS interprets the intent of the RFA to address negative economic impacts, not beneficial impacts, and thus such a focus exists in analyses that are designed to address RFA compliance.

Data on cost structure, affiliation, and operational procedures and strategies in the fishing sectors subject to the regulatory action are insufficient, at present, to permit preparation of a “factual basis” upon which to certify that the regulatory action does not have the potential to result in significant adverse economic impacts on a substantial number of small entities (as those terms are defined under RFA). Because, based on all available information, it is not possible to ‘certify’ this outcome, should the proposed action be adopted, a formal FRFA has been prepared and is included in this package for Secretarial review.

## 4.2 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) small government jurisdictions.

Small businesses. Section 601(3) of the RFA defines a ‘small business’ as having the same meaning as ‘small business concern,’ which is defined under Section 3 of the Small Business Act. ‘Small business’ or ‘small business concern’ includes any firm that is independently owned and operated and which is not dominant in its field of operation. The 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 firm is a joint venture there can be no more than 49 percent participation by foreign business entities in the joint venture.”

The SBA has established size criteria for all major industry sectors in the United States, including fish harvesting and fish processing businesses. A business involved in fish harvesting is a small business if it is independently owned and operated and not dominant in its field of operation (including its affiliates) and if it has combined annual receipts not in excess of \$4.0 million, for all its affiliated operations worldwide. A seafood processor is a small business if it is independently owned and operated, not dominant in its field of operation, and employs 500 or fewer persons on a full-time, part-time, temporary, or other basis, at all its affiliated operations worldwide. A business involved in both the harvesting and processing of seafood products is a small business if it meets the \$4.0 million criterion for fish harvesting operations. Finally, a wholesale business servicing the fishing industry is a small business if it employs 100 or fewer persons on a full-time, part-time, temporary, or other basis, at all its affiliated operations worldwide.

The SBA has established “principles of affiliation” to determine whether a business concern is “independently owned and operated.” In general, business concerns are affiliates of each other when one concern controls or has the power to control the other, or a third party controls or has the power to control both. The SBA considers factors such as ownership, management, previous relationships with or ties to another concern, and contractual relationships, in determining whether affiliation exists. Individuals or firms that have identical or substantially identical business or economic interests, such as family members, persons with common investments, or firms that are economically dependent through

contractual or other relationships, are treated as one party with such interests aggregated when measuring the size of the concern in question. The SBA counts the receipts or employees of the concern whose size is at issue and those of all its domestic and foreign affiliates, regardless of whether the affiliates are organized for profit, in determining the concern's size. However, business concerns owned and controlled by Indian Tribes, Alaska Regional or Village Corporations organized pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. 1601), Native Hawaiian Organizations, or Community Development Corporations authorized by 42 U.S.C. 9805 are not considered affiliates of such entities, or with other concerns owned by these entities solely because of their common ownership.

Affiliation may be based on stock ownership when (1) A person is an affiliate of a concern if the person owns or controls, or has the power to control 50 percent or more of its voting stock, or a block of stock which affords control because it is large compared to other outstanding blocks of stock, or (2) If two or more persons each owns, controls or has the power to control less than 50 percent of the voting stock of a concern, with minority holdings that are equal or approximately equal in size, but the aggregate of these minority holdings is large as compared with any other stock holding, each such person is presumed to be an affiliate of the concern.

Affiliation may be based on common management or joint venture arrangements. Affiliation arises where one or more officers, directors, or general partners controls 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 not-for-profit 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.

### **4.3 Reason for considering the rule**

The Council developed a purpose and need statement defining the reasons for considering the proposed action (see Chapter 1). The Western and Central GOA Pacific cod fisheries subject to the Limited License Program are currently managed as a limited access race for fish. There are substantial numbers of latent fixed gear licenses with Western and Central GOA endorsements. Participants who have made significant long-term investments, have recent catch histories, and are relatively dependent on the GOA Pacific cod fisheries subject to the LLP are perceived to need protection from the destabilizing effects of re-entry of latent effort into the fisheries. Adding Pacific cod endorsements to licenses, in order to limit access to the directed Pacific cod fisheries in the GOA, would prevent new entrants into the fisheries from impinging on historic levels of catch by recent participants in the fisheries.

### **4.4 Objectives of, and the legal basis for, the rule**

The objective of this action is to limit the number of potential participants in Federal fixed-gear Pacific cod fisheries in the GOA by assigning and requiring Pacific cod endorsements on LLP licenses, and to provide additional fixed gear licenses that may be used on behalf of specific GOA communities. NMFS



expects this action will reduce uncertainty for active participants and provide additional harvest opportunities for residents of specific communities in the Western and Central GOA and the community of Yakutat whose residents have historically participated in Central GOA fisheries.

#### **4.5 Number and description of affected small entities**

The Council's preferred alternative for this action, as implemented by this final rule, will reduce the number of potential participants in the directed Pacific cod fishery using fixed gear. NMFS estimates that a total of 1,227 fishery endorsements may be affected under this action. These fixed gear fishery endorsements are assigned to LLP licenses held by an estimated 956 entities. As a result of this action, NMFS estimates that 376 fishery endorsements for directed fishing for Pacific cod will be issued. It is not possible to determine the precise number of the 956 entities that will continue to hold fishery endorsements for directed fishing for Pacific cod after this rule becomes effective.

As noted above, all or most of the entities that are directly impacted by this regulation are small entities. This action likely will not have a significant adverse impact on some of these entities relative to the status quo alternative. Section 2 of this analysis notes that this action removes latent LLP licenses, but would not be expected to adversely affect active participants in the fixed gear directed Pacific cod fishery. On balance, these changes are not likely to have a significant economic impact on an LLP license holder.

#### **4.6 Recordkeeping and reporting**

This rule requires additional reporting, recordkeeping, and other compliance requirements. Specifically, CQEs need to submit an application to receive fixed-gear LLP licenses endorsed for Pacific cod, the selection of fixed gear type by CQEs in the CG, a description of the methods used to assign any fixed gear LLP licenses received, a letter of authorization for persons using LLP licenses assigned to a CQE, and an annual report detailing the distribution and use of LLP licenses. In addition, persons who qualify to receive a fixed-gear endorsement for an LLP license that was used on a vessel that was less than 60 feet in LOA under specific conditions are required to submit a vessel survey prior to receiving an endorsement on that LLP license if they disagree with existing LOA data held by NMFS. Existing recordkeeping and reporting requirements for registering vessels in the inshore or offshore sector, and the LLP appeals process have not been modified.

#### **4.7 Relevant Federal rules that may duplicate, overlap, or conflict with the rule**

There do not appear to be any Federal rules that duplicate, overlap, or conflict with the rule.

#### **4.8 Description of significant alternatives to the rule**

T The Council and NMFS considered and analyzed two alternative approaches for the management of Pacific cod fishing by non-trawl LLP licenses in the CG and WG in the EA/RIR/IRFA: Alternative 1 -- Status Quo/No Action; Alternative 2-Add a Pacific cod endorsement on the CG and WG GOA LLP licenses if minimum landing requirements are met. Alternative 2 would include a provision to issue new Pacific cod endorsed fixed gear LLP licenses to non-profit CQEs, representing specific communities in the CG and WG. These two alternatives examined ranges of options for a varying range of landing

criteria and mechanisms for assigning Pacific cod endorsements. These alternative landing criteria and mechanisms and the options examined in the context of these alternatives constitute the suite of “significant alternatives” for the proposed action for the purposes of the RFA. During the development of this proposed action, the Council considered and rejected alternatives that would have allocated quota to specific fishery participants, or allocated a portion of the TAC to specific fishery sectors and gear types. These alternatives were considered to be overly broad to address the goal of limiting the potential entry of latent effort into the Pacific cod directed fishery.

Compared with the status quo, Alternative 2, and the associated suite of elements and options comprising Alternative 2, minimizes adverse economic impacts on the directly regulated small entities. The action provides greater economic stability for fixed-gear LLP license holders with recent participation in the CG and WG Pacific cod fisheries. Alternative 2 reduces the potential for substantial increases in fishing effort from latent LLP license holders, and provides additional harvesting opportunities for CQEs who hold fixed-gear LLP licenses. In no case are these combined impacts expected to be substantial. Alternative 2 does not assign Pacific cod fishery endorsements to fixed-gear LLP licenses that have had little or no participation in Pacific cod fisheries in the CG and WG since 2002. Therefore, the effect of this action on those directly regulated entities is expected to be minimal. The effects would be minimal because the holders of latent LLP licenses are not expected to rely on the Pacific cod resource or have substantial revenue given the lack of consistent participation in the fishery over a broad range of years. Furthermore, the addition of new Pacific cod endorsed fixed-gear licenses and the removal of LLP requirements for most vessels using jig gear may provide additional harvest opportunities for some catcher vessels in Federal waters. Many vessels currently active in State waters are catching fish assigned to the Federal TAC under the parallel fishery. It is not clear that these new Pacific cod endorsed fixed-gear licenses would substantially increase fishing effort. Although none of the alternatives are expected to have any significant economic or socioeconomic impacts, the preferred Alternative 2 minimizes the potential negative impacts, such as less control over potential fishing effort in the GOA Pacific cod fishery and greater risk that the fishery could be subject to overharvest that could arise under Alternative 1, the status quo alternative.

## **5.0 CONSISTENCY WITH OTHER APPLICABLE LAWS**

### **5.1 Consistency with National Standards**

Below are the ten National Standards in the Magnuson-Stevens Act (Act), and a brief discussion of the consistency of the proposed alternatives with those National Standards.

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

In terms of achieving ‘optimum yield’ from the fishery, the Act defines ‘optimum’, with respect to yield from the fishery, as the amount of fish which:

- (A) Will provide the greatest overall benefit to the Nation, particularly with respect to food production and recreational opportunities, and taking into account the protection of marine ecosystems;
- (B) Is prescribed as such on the basis of the maximum sustainable yield from the fishery, as reduced by any relevant economic, social, or ecological factor; and,
- (C) In the case of an overfished fishery, provides for rebuilding to a level consistent with producing the maximum sustainable yield in such fishery.

The GOA groundfish fisheries will continue to be managed under the current harvest specifications process. Groundfish stocks in the GOA are not currently in danger of being overfished and are considered stable. Overall levels of groundfish catch by the fixed gear sectors in the GOA are not likely to be affected by the proposed action. The proposed action would add Pacific cod endorsements to fixed gear licenses with Western or Central GOA endorsements if the licenses have landings during recent years. Recent participants in the fisheries would continue to have access to the directed Pacific cod fisheries subject to the LLP. The distribution of catch among sectors or participants and the overall net benefits to the Nation are not expected to change to an identifiable degree.

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 operation costs) is unavailable.

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

The Western and Central GOA groundfish TACs are established on an annual basis during the harvest specifications process. NOAA fisheries conducts annual GOA stock assessments for the groundfish species and makes acceptable biological catch recommendations to the Council. The Council sets the groundfish TACs based on the most recent stock assessment and survey information. Separate quotas for each groundfish species in the GOA would continue to be monitored inseason by NMFS.

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.

Residency within a specific State is not a criterion for receiving a Pacific cod endorsement. Licenses which meet minimum landings thresholds will remain eligible to participate in the Western and Central GOA Pacific cod fisheries, and exceptions to these eligibility standards will not be made for individual persons or entities based on residency in a specific State.

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.

The wording of this standard was changed in the 1996 Magnuson-Stevens Act authorization, to ‘consider’ rather than ‘promote’ efficiency. Efficiency in this context refers to economic efficiency, and the reason for the change is to de-emphasize the importance of economics relative to other considerations (Senate Report of the Committee on Commerce, Science, and Transportation on S. 39, the Sustainable Fisheries Act, 1996). The analysis presents information on economic considerations, but does not emphasize this standard over other considerations.

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

Adding Pacific cod endorsements to groundfish licenses in order to limit access to the directed Pacific cod fisheries in the Western and Central GOA is unlikely to reduce the ability of recent participants to increase effort in response to changes in fishing and market conditions. Overall harvest levels by the

fixed gear sectors would not be constrained by the proposed action. In the event of lower Pacific cod quotas in the BSAI or changes in other fisheries, this action would protect the relative harvest levels of those license holders that have recently participated in the fisheries and are dependent on the GOA Pacific cod resource. In addition, provisions to exclude the jig sector from the Pacific cod endorsement requirement may increase future opportunities for participation and total catch by this sector.

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

The alternatives under consideration appear to be consistent with this standard.

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.

The RIR presents information on the potential effects of the proposed action on licenses held by residents of Alaska and other states, and provides detailed information on the number of qualifying licenses from Alaska communities. This action does not appear to have a disproportionate effect on residents of a particular State or on specific fishing communities. The RIR discusses the number of licenses held by residents of coastal fishing communities, including Community Quota Entity (CQE) communities that could qualify to for a Pacific cod endorsement. The analysis also discusses the relative importance of the Pacific cod fishery in comparison to other commercial fisheries to these communities.

In Component 7, the Council could make additional fixed gear groundfish licenses available to 21 CQE eligible communities. The intent of this component is to help minimize any adverse economic impacts of this action on these small, remote communities, and to ensure that community residents continue to have access to the Western and Central GOA Pacific cod fisheries.

Major ports in Alaska that process groundfish catch from the Western and Central GOA include Kodiak, Sand Point, King Cove, Homer, and Dutch Harbor, and the proposed action would not directly impact communities with processing facilities. Additionally, the greater Seattle, Washington metropolitan area is home to many catcher and catcher processor vessels operating in the fixed gear fisheries, as well as cold storage, transshipping, and secondary processing facilities. Information on these communities is available in the Steller Sea Lion SEIS (NMFS 2001b), the Draft Programmatic SEIS (NMFS 2001a), and the crab rationalization EIS (NPFMC 2004). Detailed information on Kodiak, Akutan, Dutch Harbor, and King Cove is available in the Comprehensive Baseline Commercial Fishing Community Profiles Final Report (EDAW 2005).

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.

The EA (Chapter 2) presents information on bycatch of prohibited species by the fixed gear sectors in the GOA Pacific cod fishery. This action, in combination with the proposed Pacific cod sector allocations, is not expected to change the overall amount or rate of PSC by the fixed gear sectors.

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

This action, in combination with the proposed Pacific cod sector allocations, may reduce the race for fish by limiting entry to the fixed gear sectors.

## **5.2 MSA Section 303(a)(9) – Fisheries Impact statement**

The Magnuson Stevens Act requires that any management measure submitted by the Council take into account potential impacts on participants in the fisheries subject to the proposed action, as well as participants in other fisheries. The impacts of alternatives on participants in the harvesting and processing sectors are discussed in Chapter 3. The proposed action is unlikely to affect the historic distribution of catch among sectors. License holders with minimal levels of catch during recent years will continue to have access to the directed Pacific cod fisheries. As a result, this action is unlikely to have a substantial effect on the number of participants or overall level of effort in the GOA Pacific cod fishery or other GOA groundfish fisheries prosecuted by the fixed gear sectors. Pacific cod seasons will likely continue to be short, particularly during the A season, and any new participants will need to forgo participation in other fisheries. Consequently, no impacts to participants in other fisheries are anticipated.

## **5.3 Marine Mammal Protection Act**

The Marine Mammal Protection Act (MMPA) of 1992 (16 U.S.C. 1361 *et seq.*) vests the Department of Commerce with authority to manage marine mammal populations. The Department of the Interior, USFWS, has management authority for all other marine mammal species in Alaska, including sea otter, walrus, and polar bear. The MMPA recognizes that certain species and populations of marine mammals are or may be in danger of depletion due to human activities, and that marine mammals are resources of international significance and should be protected using best management practices.

The primary management objectives of the MMPA are to maintain the health and stability of the marine ecosystem and to maintain sustainable populations of marine mammals within the carrying capacity of the habitat. The MMPA is intended to work in concert with the provisions of the Endangered Species Act. The Secretary of Commerce is required to give full consideration to all factors regarding regulations applicable to the take of marine mammals, including the conservation, development, and utilization of marine resources, and the economic and technological feasibility of implementing the regulations. Impacts of commercial fishing activities on marine mammal populations must be analyzed in an EA or EIS, and the Council or NMFS may be requested to consider measures to mitigate adverse impacts. Under the proposed action, no changes in the temporal or spatial distribution of harvests or overall level of fishing effort are anticipated. Consequently, no additional impacts to marine mammal populations are expected to result from the proposed action.

## **5.4 Coastal Zone Management Act**

Implementation of either of the alternatives would be conducted in a manner consistent with the Alaska Coastal Management Program and Section 30(c)(1) of the Coastal Zone Management Act of 1972 and its implementing regulations.

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## APPENDIX A. Communities.

Table A-1. Number of vessels using fixed gear participating in the Western GOA, Central GOA, and West Yakutat Pacific cod fisheries, gross revenues, and percent of total fisheries revenues from GOA Pacific cod during 1995-2000 and 2001-2006, reported by vessel owner residency.

Community	CQE	Fishery	1995-2000				2001-2006			
			Num vessels	Total revenues	Catch (mt)	Percent of total revenues	Num vessels	Total revenues	Catch (mt)	Percent of total revenues
Anchor Point		Fed/parallel	24	1,681,284	2,716	12.3%	13	972,385	1,365	5.3%
Anchor Point		Fed/parallel/State	26	1,830,766	2,913	13.4%	14	1,241,131	1,704	6.8%
Chenega Bay	Y	Fed/parallel	1	*	*	*	0	0	0	0.0%
Chenega Bay	Y	Fed/parallel/State	1	*	*	*	0	0	0	0.0%
Chignik	Y	Fed/parallel	1	*	*	*	2	*	*	*
Chignik	Y	Fed/parallel/State	6	515,449	977	6.3%	8	1,194,015	1,936	17.2%
Chig. Lagoon	Y	Fed/parallel	3	*	*	*	2	*	*	*
Chig. Lagoon	Y	Fed/parallel/State	16	2,149,698	4,130	8.1%	15	4,230,835	7,479	22.4%
Chignik Lake	Y	Fed/parallel/State	2	*	*	*	0	0	0	0
Cordova		Fed/parallel	32	1,649,114	2,836	1.3%	6	52,365	81	0.0%
Cordova		Fed/parallel/State	34	1,671,046	2,867	1.3%	7	177,406	262	0.1%
Delta Junction		Fed/parallel	9	1,767,803	2,832	31.7%	7	1,957,306	2,649	27.1%
Delta Junction		Fed/parallel/State	9	1,781,583	2,851	31.9%	7	1,963,466	2,656	27.2%
Dutch Harbor		Fed/parallel	7	380,448	564	1.8%	6	110,093	177	1.1%
Dutch Harbor		Fed/parallel/State	10	487,991	786	2.3%	8	196,914	344	1.9%
False Pass		Fed/parallel	1	*	*	*	6	818,891	1,434	20.7%
False Pass		Fed/parallel/State	2	*	*	*	7	1,399,191	2,390	35.3%
Homer		Fed/parallel	111	7,846,627	12,476	4.2%	76	10,216,567	14,067	5.0%
Homer		Fed/parallel/State	130	8,922,949	13,987	4.8%	95	12,518,216	17,257	6.1%
Kenai		Fed/parallel	11	67,288	108	0.3%	2	*	*	*
Kenai		Fed/parallel/State	17	258,502	395	1.1%	7	58,733	99	0.3%
King Cove	Y	Fed/parallel	25	2,045,841	4,573	5.6%	20	3,805,941	6,658	13.0%
King Cove	Y	Fed/parallel/State	28	4,893,548	10,391	13.4%	26	9,094,674	15,683	31.2%
Kodiak		Fed/parallel	162	27,486,080	47,145	6.2%	150	25,249,675	36,002	5.3%
Kodiak		Fed/parallel/State	255	34,588,046	58,785	7.8%	240	38,817,734	56,256	8.1%
Larsen Bay	Y	Fed/parallel	4	116,288	208	6.3%	4	33,879	49	3.7%
Larsen Bay	Y	Fed/parallel/State	4	121,341	216	6.5%	6	137,070	194	15.2%
Nikolaevsk		Fed/parallel	11	533,757	763	6.8%	6	678,863	946	7.7%
Nikolaevsk		Fed/parallel/State	11	533,757	763	6.8%	6	678,863	946	7.7%
Old Harbor	Y	Fed/parallel	15	1,529,369	2,690	14.2%	8	752,900	1,045	9.1%
Old Harbor	Y	Fed/parallel/State	17	1,800,276	3,100	16.7%	9	1,198,157	1,688	14.4%
Ouzinkie	Y	Fed/parallel	6	168,034	302	6.1%	0	0	0	0.0%
Ouzinkie	Y	Fed/parallel/State	7	218,664	392	8.0%	6	58,524	84	1.9%
Palmer		Fed/parallel	5	277,233	430	1.8%	2	*	*	*
Palmer		Fed/parallel/State	7	498,363	804	3.2%	4	663,121	1,199	7.1%
Perryville	Y	Fed/parallel/State	5	83,867	129	1.6%	4	212,587	411	5.8%
Petersburg		Fed/parallel	2	*	*	*	4	96,696	120	0.0%
Petersburg		Fed/parallel/State	4	241,297	366	0.1%	7	580,784	930	0.2%
Port Lions	Y	Fed/parallel	5	29,271	56	0.8%	3	*	*	*
Port Lions	Y	Fed/parallel/State	6	75,068	111	2.0%	4	107,725	154	2.5%
Sand Point	Y	Fed/parallel	29	846,079	1,722	1.2%	44	3,581,618	6,350	5.8%
Sand Point	Y	Fed/parallel/State	69	3,761,617	7,455	5.1%	63	9,155,375	16,403	14.8%
Seldovia	Y	Fed/parallel	7	3,252,133	5,558	17.6%	3	*	*	*
Seldovia	Y	Fed/parallel/State	11	3,395,819	5,737	18.3%	5	1,436,581	1,949	10.1%
Seward		Fed/parallel	16	833,744	1,382	2.8%	8	97,388	140	0.3%
Seward		Fed/parallel/State	19	911,257	1,481	3.0%	9	240,982	349	0.6%
Sitka		Fed/parallel	11	939,677	1,659	0.6%	4	61,907	103	0.0%
Sitka		Fed/parallel/State	12	1,259,622	2,226	0.8%	9	235,911	348	0.1%
Tatitlek	Y	Fed/parallel	2	*	*	*	0	0	0	0.0%
Tatitlek	Y	Fed/parallel/State	2	*	*	*	0	0	0	0.0%
Unalaska		Fed/parallel	5	39,928	68	0.5%	4	341,777	422	4.0%
Unalaska		Fed/parallel/State	7	40,436	69	0.5%	4	341,777	422	4.0%
Wasilla		Fed/parallel	10	473,429	874	2.3%	9	463,560	760	2.4%
Wasilla		Fed/parallel/State	17	620,583	1,172	3.1%	11	865,876	1,417	4.5%
Willow		Fed/parallel	8	1,253,182	1,747	27.0%	6	1,655,327	2,327	28.3%
Willow		Fed/parallel/State	8	1,301,589	1,822	28.1%	7	1,691,034	2,380	28.9%

Source: ADFG Fish Tickets and CFEC gross revenues data. <sup>1</sup> Fed/parallel includes fixed gear catch in the Federal and parallel waters fisheries in West Yakutat, Central GOA, and Western GOA. Fed/parallel/State includes fixed gear catch in the Federal, parallel waters, and State waters Pacific cod fisheries in West Yakutat, Central GOA, and Western GOA management areas.

**Table A-2. Participation, total revenues, and annual revenues per license during 2000-2006 by fixed gear CV licenses held by residents of CQE communities that have at least 1 directed Pacific cod landing during 2000-2006 and with no GOA directed Pacific cod landings during 2000-2006.**

	Western Gulf licenses with at least one Western Gulf directed Pacific cod landing during 2000-2006 (36 licenses)				Western Gulf licenses with no qualified Western Gulf directed Pacific cod landings during 2000-2006 (18 licenses)			
Fishery	Number of licenses in fishery	Percent revenues	Total revenues 2000-2006	Annual revenues per license	Number of licenses in fishery	Percent revenues	Total revenues 2000-2006	Annual revenues per license
<b>Federal WG Pcod- Fixed Gear</b>	<b>36</b>	<b>10.0%</b>	<b>\$7,462,885</b>	<b>\$29,615</b>	<b>0</b>	<b>0</b>	<b>\$0</b>	<b>\$0</b>
Federal CG Pcod- Fixed Gear	2	*	*	*	0	0	\$0	\$0
Federal GOA Groundfish- Trawl	18	19.0%	\$14,159,477	\$112,377	0	0	\$0	\$0
State GOA Pacific Cod	35	17.8%	\$13,240,376	\$54,042	6	4.2%	\$132,242	\$3,149
BSAI Fixed Gear	8	1.3%	\$986,655	\$17,619	1	*	*	*
BSAI Trawl	3	*	*	*	0	0.0%	\$0	\$0
Herring	5	0.6%	\$471,231	\$13,464	2	*	*	*
IFQ Halibut	21	19.2%	\$14,310,389	\$97,350	3	*	*	*
IFQ Sablefish	2	*	*	*	0	0.0%	\$0	\$0
Other	29	0.1%	\$76,821	\$378	1	*	*	*
Salmon	33	27.6%	\$20,558,845	\$88,999	12	82.6%	\$2,623,042	\$31,227
Shellfish	33	3.8%	\$2,851,049	\$12,342	1	*	*	*
All Fisheries	36	100.0%	\$74,474,601	\$295,534	14	100.0%	\$3,175,191	\$32,400
No landings in any Alaska fisheries	0	0.0%	\$0	\$0	4	0.0%	\$0	\$0
	Central Gulf licenses with at least one Central Gulf directed Pacific cod landing during 2000-2006 (19 licenses)				Central Gulf licenses with no qualified Central Gulf directed Pacific cod landings during 2000-2006 (55 licenses)			
Fishery	Number of licenses in fishery	Percent revenues	Total revenues 2000-2006	Annual revenues per license	Number of licenses in fishery	Percent revenues	Total revenues 2000-2006	Annual revenues per license
<b>Federal CG Pcod- Fixed Gear</b>	<b>19</b>	<b>8.8%</b>	<b>\$2,951,398</b>	<b>\$22,191</b>	<b>0</b>	<b>0.0%</b>	<b>\$0</b>	<b>\$0</b>
Federal WG Pcod- Fixed Gear	2	*	*	*	17	7.7%	\$5,017,110	\$42,161
Federal GOA Groundfish- Trawl	1	*	*	*	15	19.0%	\$12,312,457	\$117,261
State GOA Pacific Cod	13	8.6%	\$2,903,842	\$31,910	23	14.5%	\$9,416,027	\$58,485
BSAI Fixed Gear	3	*	*	*	4	1.1%	\$733,683	\$26,203
BSAI Trawl	1	*	*	*	2	*	*	*
Herring	5	5.0%	\$1,695,125	\$48,432	4	1.4%	\$932,870	\$33,317
IFQ Halibut	13	34.3%	\$11,547,575	\$126,896	28	16.4%	\$10,667,454	\$54,426
IFQ Sablefish	5	7.2%	\$2,405,572	\$68,731	2	*	*	*
Other	11	0.1%	\$35,045	\$455	22	0.1%	\$70,518	\$458
Salmon	13	20.4%	\$6,845,104	\$75,221	35	35.4%	\$22,980,569	\$93,798
Shellfish	12	9.8%	\$3,286,517	\$39,125	24	4.1%	\$2,674,335	\$15,919
All Fisheries	19	100.0%	\$33,634,176	\$252,889	44	100.0%	\$64,925,384	\$210,797
No landings in any Alaska fisheries	0	0.0%	\$0	\$0	11	0.0%	\$0	\$0

Source: ADFG Fish Tickets, CFEC gross revenues, and RAM groundfish license file, December 2008.

## APPENDIX B. Council's Preferred Alternative

### ALTERNATIVE 2.

Add non-severable, gear-specific Pacific cod endorsements to fixed gear licenses. Pacific cod endorsements would limit entry into the directed Pacific cod fisheries in Federal waters in the Western and Central Gulf of Alaska.

#### Component 1— Areas included

Western Gulf

Central Gulf (current LLP endorsement includes West Yakutat)

#### Component 2— Identify and define sectors

The sector definitions for awarding Pacific cod endorsements may be different from those used for the GOA Pacific cod sector split action. The purpose of sector definitions in this action is to allow the Council to select different catch thresholds for the different gear types, operation types, and vessel lengths. Individual licenses may qualify for any combination of a jig, hook-and-line, and pot endorsement if the license meets the respective threshold(s) for the appropriate gear type, operation type, and vessel length.

- Hook-and-line CP
- Hook-and-line CV
  - Option: Hook-and-line  $\geq 60$
  - Hook-and-line  $< 60$
- Pot CP
- Pot CV
  - Option: Pot CV  $\geq 60$
  - Pot CV  $< 60$
- Jig
  - Exempt vessels using jig gear from the LLP requirement (including the Pacific cod endorsement requirement) that use a maximum of 5 jigging machines, 5 lines, and 30 hooks per line.
- CV LLPs that qualify for a pot endorsement that have an MLOA of  $< 50$  ft will be increased to 50 ft MLOA.

#### Component 3 – Qualifying years

Option 2: 2002-2006

Option 3: Add the qualifying period January 1, 2007 through:

Suboption 2: December 8, 2008

- If a GOA hook-and-line catcher processor LLP license holder was a voluntary non-participant in the Freezer Longliner Coalition informal PSC co-op efforts of 2006, 2007, or 2008, the LLP would receive a Pacific cod endorsement. If gear-specific Pacific cod endorsements are a result of this action, the licenses would receive a hook-and-line Pacific cod endorsement, but would only be allowed to participate in the offshore fishery.

#### **Component 4 – Catch thresholds**

Thresholds shall be based on legally retained directed Pacific cod catch in the aggregate during all of the qualifying years in the Federal and parallel fisheries (excluding IFQ catch). Separate and distinct thresholds may be determined for each defined sector.

Jig = 1 landing

Hook-and-line CV <60 ft MLOA and Pot CV <60 ft MLOA = 10 mt

Hook-and-line CV ≥60 ft MLOA and Pot CV ≥60 ft MLOA = 50 mt

Hook-and-line CP and Pot CP = 50 mt

For licenses with an MLOA of ≥60 ft but assigned to vessels with an LOA of <60 ft, those licenses that do not meet the higher threshold (i.e., ≥60 ft) can qualify at the lower threshold, however the MLOA of the license will be changed to match the LOA of the vessel if an application for a Pacific cod endorsement is submitted. The LLP licenses must have been assigned to a vessel <60 ft LOA during the entire qualifying period. The recipient would need to certify the LOA of the vessel as of the effective date of the rule.

Directed Pacific cod catch is defined as landings made when the directed Pacific cod fisheries are open. For purposes of catch accounting, licenses are credited with deliveries or processing activity recorded up to 7 days after the directed Pacific cod season closes.

#### **Component 5 – Stacked license provisions**

Where there are multiple LLPs registered to a single vessel, also known as ‘stacking’ of LLPs, groundfish harvest history will be fully credited to all stacked licenses, each carrying its own qualifying endorsements and designations.

#### **Component 7 – CQE communities**

Qualified Community Quota Entities (CQEs) in the Central and Western Gulf of Alaska shall be eligible to request, from NMFS, non-transferable fixed gear groundfish licenses with a Pacific cod endorsement for the management area in which the community is located. Each qualified CQE may request additional fixed gear LLPs up to the number listed for each CQE in the table below. These licenses shall have an MLOA of 60 ft and gear designations will be assigned as follows:

- Western GOA LLPs will be endorsed for pot gear
- In the Central GOA, CQEs will have 6 months after implementation to notify NMFS regarding the gear endorsement (pot or hook-and-line) that will be assigned to CQE LLPs. However, if the CQE does not notify NMFS, the following rule will be applied to assign gear endorsements: for each CQE, LLPs will be split 50% pot gear and 50% hook-and-line gear. If there is an odd number of licenses then the additional LLP will be assigned a pot designation.

The LLP is issued to the CQE and the CQE designates the vessel to which the LLP license is assigned. Prior to requesting a LLP, the CQE shall provide NMFS with a detailed plan for soliciting and determining recipients of the CQE permit (similar to the plan requirements of Amendment 66). The CQE shall determine who may use the LLP license and provide them with a letter of authorization. The CQE will attest to NMFS-RAM that the authorized person meets residency requirements as under Amendment 66, with the exception of the IFQ crew member sea-days requirement. The LLP license issued cannot designate more than one vessel per LLP per calendar year.

CQEs that request LLPs shall be required to submit annual reports to the Council and NMFS similar to those required under the CQE halibut and sablefish program. Reports shall be provided separately from

reports on the CQE halibut and sablefish program. For example, the reports shall provide information on the distribution of LLPs to community residents, vessels assigned to LLPs, number and residency of crew, and any payments made to CQEs for use of the LLPs.

**Table 1. Maximum number of licenses that may be requested by each CQE community.**

<u>Central GOA Licenses</u>		<u>Western GOA Licenses</u>	
Akhiok*	2	Ivanof Bay	2
Chenega Bay*	2	King Cove*	7
Chignik	2	Perryville*	2
Chignik Lagoon	4	<u>Sand Point*</u>	<u>10</u>
Chignik Lake	2	Total	21
Halibut Cove	2		
Karluk	2		
Larsen Bay*	2		
Nanwalek*	2		
Old Harbor*	2		
Ouzinkie*	7		
Port Graham*	2		
Port Lions	6		
Seldovia	6		
Tyonek	2		
Yakutat*	3		
Tatitlek	2		
<u>Total</u>	<u>50</u>		

\*Eligible communities that have formed CQE communities.

## APPENDIX C. Proposed FMP amendment language for GOA Amendment 86

Deletions are stricken and additions are in bold.

### p. 20, Section 3.3.1 License Limitation Program

Beginning on January 1, 2002, a Federal groundfish license is required for harvesting vessels (including harvester/processors) participating in all directed GOA groundfish fisheries, other than fixed gear sablefish throughout the GOA and demersal shelf rockfish in the Southeast Outside area (east of 140° W. longitude). Vessels fishing in State of Alaska waters (0-3 miles offshore) will be exempt, as will vessels less than 26 ft LOA **and vessels using jig gear, subject to gear restrictions.** Vessels exempted from the GOA groundfish license program, will be limited to the use of legal fixed gear in the Southeast Outside area.

### Add Section 3.3.1.2

#### **Species and Gear Endorsements for Vessels Using Hook-and-line, Pot, and Jig Gear**

Vessels engaged in directed fishing for Pacific cod in the GOA management area using hook-and-line, pot, or jig gear must hold a Pacific cod endorsement in addition to holding an area endorsement and general license. The following criteria apply to specific gear types and vessel classes:

- **Hook-and-line catcher processors.** Must have made at least 50 mt of landings in the directed commercial GOA Pacific cod fishery (excluding discards) in the aggregate using hook-and-line gear during the period from 2002 through December 8, 2008.
- **Pot catcher processors.** Must have made at least 50 mt of landings in the directed commercial GOA Pacific cod fishery (excluding discards) in the aggregate using pot gear during the period from 2002 through December 8, 2008.
- **Hook-and-line catcher vessel licenses  $\geq 60$  ft MLOA.** Must have made at least 50 mt of cod landings in the directed commercial GOA Pacific cod fishery (excluding discards) in the aggregate using hook-and-line gear during the period from 2002 through December 8, 2008.
- **Pot catcher vessel licenses  $\geq 60$  ft MLOA.** Must have made at least 50 mt of cod landings in the directed commercial GOA Pacific cod fishery (excluding discards) in the aggregate using hook-and-line gear during the period from 2002 through December 8, 2008.
- **Hook-and-line catcher vessel licenses  $> 60$  ft MLOA.** Must have made at least 10 mt of cod landings in the directed commercial GOA Pacific cod fishery (excluding discards) in the aggregate using hook-and-line gear during the period from 2002 through December 8, 2008.
- **Pot catcher vessel licenses  $> 60$  ft MLOA.** Must have made at least 10 mt of cod landings in the directed commercial GOA Pacific cod fishery (excluding discards) in the aggregate using pot gear during the period from 2002 through December 8, 2008.
- **Jig licenses.** Must have made at least 1 landing of cod in the directed commercial GOA Pacific cod fishery (excluding discards) using jig gear during the period from 2002 through December 8, 2008.

Other Pacific cod endorsement requirements under the License Limitation Program apply as follows:

1. **Vessels Earning Multiple Pacific Cod Endorsements.** Vessels that qualify for a Pacific cod endorsement in more than one gear sector shall be issued an endorsement for each sector for which they qualify. Endorsements that are earned by a vessel shall be attached to that vessel's general license. The Pacific cod endorsement(s) shall not be severable from a general license, just as area endorsements are non-severable.
2. **Vessels class exemptions.** Vessels less than or equal to 26 ft LOA using any gear type, and vessels of any length using jig gear, subject to gear restrictions (up to 5 jigging machines, 5 lines, and 30 hooks per line) are exempt from the License Limitation Program and Pacific cod endorsement requirement in the GOA.

### **Add Section 3.3.1.3**

#### **Licenses available to Community Quota Eligible Communities**

Qualified Community Quota Entities (CQEs) in the Central and Western Gulf of Alaska shall be eligible to request, from NMFS, non-transferable fixed gear groundfish licenses with a Pacific cod endorsement for the management area in which the community is located. These licenses shall have an MLOA of 60 ft and gear designations will be assigned as follows:

- Western GOA LLPs will be endorsed for pot gear
- In the Central GOA, CQEs will have 6 months after implementation to notify NMFS regarding the gear endorsement (pot or hook-and-line) that will be assigned to CQE LLPs. However, if the CQE does not notify NMFS, the following rule will be applied to assign gear endorsements: for each CQE, LLPs will be split 50% pot gear and 50% hook-and-line gear. If there is an odd number of licenses then the additional LLP will be assigned a pot designation.

The LLP is issued to the CQE and the CQE designates the vessel to which the LLP license is assigned. The CQE shall determine who may use the LLP license and provide them with a letter of authorization. The CQE will attest to NMFS that the authorized person meets residency requirements as under Amendment 66, with the exception of the IFQ crew member sea-days requirement. CQEs that request LLPs shall be required to submit annual reports to the Council and NMFS similar to those required under the CQE halibut and sablefish program.

p. A-11, Appendix A, A.1 Amendments to the FMP

Amendment 86 implemented \_\_\_\_\_, revised Amendment 58:

Added gear-specific (pot, hook-and-line, and jig) Pacific cod endorsements to Western GOA and Central GOA fixed gear licenses that limit entry to the directed Pacific cod fishery.

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