

Kodiak Fisheries Work Group

Thursday, September 29, 2016, 8:30 a.m.
City Conference Room (Room 116)

CITY CHAIRING

The Fisheries Work Group is an informal meeting of representatives of the City of Kodiak and Kodiak Island Borough to discuss issues with its Fisheries Analyst. Although additional items not listed on the agenda are sometimes discussed, no formal action is taken. Items that require formal action are placed on a regular City Council and/or Borough Assembly meeting agenda. Public comments at committee meetings are NOT considered part of the official record. Public comments intended for the "official record" should be made at a regular City Council or Borough Assembly meeting. **A quorum of the Assembly and/or the City Council may be present at this meeting.**

1. **PUBLIC COMMENTS** (Limited to Three Minutes per Speaker)
2. **AGENDA ITEMS**
 - a. Representative Louise Stutes Report
 - b. Commissioner Sam Cotten
 - c. Fisheries Analyst Report and Deliverables – Heather McCarty
 - I. GTBM Scoping Outline 1
 - d. Discussion of Scoping Comments for the EIS on the GTBM action
 - I. NPFMC Motion Alternative 4..... 3
 - II. August 28, 2015, Scoping Comments..... 20
 - III. Notice for EIS Scoping Comments..... 24
 - IV. May 31, 2016, Letter to NPFMC 28
3. **PUBLIC COMMENTS** (Limited to Three Minutes per Speaker)
4. **WORK GROUP CLOSING COMMENTS**
5. **SET NEXT MEETING DATE AND TIME**
6. **ADJOURNMENT**
7. **Items for Future Discussion**
 - Small Boat Fleet Update
 - Electronic Monitoring
8. **INFORMATIONAL MATERIALS**

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I. Comments specific to June 2016 additions:

A. A major addition to the motion was the insertion of the following “Overarching Goal and Objective,” after the Purpose and Need Statement:

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

The effect of this addition is to indicate that the Council’s final action will be designed to provide not only effective bycatch management tools, and increased utilization of target and secondary species (both of which have been goals since the beginning of the action), but also to “minimize economic barriers” to new entry. The language seems to say the third goal may be achieved by limiting the allocation of harvest privileges for target and prohibited species. The effect of allocating harvest privileges – i.e., granting a certain share of catch and/or bycatch to participants by some regulatory means – has been associated in previous programs with raising the value and therefore the cost of those harvest privileges.

[COMMENT]

B. An addition was made (underlined) to #4 of the 14 Goals and Objectives previously listed in the motion:

“4. Authorize fair and equitable access privileges that take into consideration the value of assets and investments in the fishery and dependency on and participation in the fishery for harvesters, processors, and communities.”

This added language appears to define more specifically the conditions for allocation of access privileges.

[COMMENT]

C. The Council also adopted an addition to Alternative 2 (underlined) that deals with the possibility of substituting Electronic Monitoring for 100% observer coverage, when EM for trawling becomes acceptable in regulation:

“1. Observer Coverage and Monitoring

All trawl vessels in the GOA will be in the 100% observer coverage category (or carry electronic monitoring at such time it is an option for trawl vessels) . . .”

[COMMENT]

D. The Council agreed that Alternative 4, which deals with setting aside quota for a Community Fishing Association (CFA) or an Adaptive Management option, could only be adopted in conjunction with Alternative 2, and not with Alternative 3.

[COMMENT]

E. The Council replaced the original CFA language in Alternative 4 with the stakeholder document presented by CFA proponents, providing a more detailed description of a possible CFA program for analysis.

[COMMENT]

North Pacific Fishery Management Council Motion
C-5 GOA Trawl Bycatch Management
6/13/16

Overarching Goal and Objective *(To be inserted after the Purpose and Need Statement and before the Goals and Objectives)*

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

Goals and Objectives *(Amendment to #4 of the 14 previously listed)*

4. Authorize fair and equitable access privileges that take into consideration the value of assets and investments in the fishery and dependency on **and participation in** the fishery for harvesters, processors, and communities

The Council adopts the following revisions to Alternative 2. Additions are in bold and underline font. Deletions are in strikethrough font.

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

1. Observer Coverage and Monitoring

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

~~The Council request staff to evaluate the ability/challenges for the fleet to meet the full retention requirement for allocated species if the prohibition for directed fishing for Pollock and cod remains in effect for the time period of Nov 1 to Dec 31.~~

2. Sector eligibility

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

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

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

a. Target species:

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

b. Secondary species:

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

Suboption: Big skates and longnose skates

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

c. PSC species: Halibut and Chinook salmon

4. Sector allocations of target and secondary species

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

a. Pollock and Pacific cod:

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

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

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

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

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

Option 4: Modify the trawl Pacific cod fishery to two seasons: Jan 20 to June 10 and June 10 to Nov 1. **No change to the A and B season allocations.** (The seasonal split for trawl gear would be maintained per Am 83).

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

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

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

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

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

5. Sector allocations of PSC

a. Chinook salmon:

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

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

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

b. Halibut:

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

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

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

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

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

c. Rockfish Program PSC:

Any Rockfish Program **halibut** PSC that would roll over for use in other fisheries ~~under the current rules~~ (after the set aside for halibut savings) can be transferred to the Gulf program cooperatives through inter-cooperative transfer. Halibut PSC from CV cooperatives cannot be transferred to CP cooperatives.

Rockfish program Chinook salmon PSC would be rolled over to the Gulf program CV cooperatives in proportion to their initial annual non-pollock Chinook salmon PSC allocations.

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

6. Voluntary inshore cooperative structure

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

Option 1. 2008 – 2012

Option 2. 2007 – 2012

Option 3. 2003 - 2012

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

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

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

Suboption: Alternatives for distribution of PSC quota to processors:

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

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

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

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

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

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

e. Each cooperative would be required to have an annual cooperative contract filed with NMFS.

Formation of the cooperative would require a cooperative contract signed by (options: 33%, 51%, or 80%) of the license holders eligible for the cooperative and the processor (option: and community in which the processor is located). If a license does not have any qualifying landings, it could still join a cooperative but the license holder does not count toward the cooperative formation threshold. Cooperative members shall internally allocate and manage the cooperative's allocation per the cooperative contract. Cooperatives are intended only to conduct and coordinate harvest activities of the members and are not FCMA cooperatives.

- f. The annual cooperative contract must include:
- Bylaws and rules for the operation of the cooperative
 - Annual fishing plan
 - Operational plan for monitoring and minimizing PSC, with vessel-level accountability, as part of the annual fishing plan
 - Clear provisions for how a harvester and processor may dissolve their contract after the cooling off period of two years. If a harvester wants to leave that cooperative and join another cooperative or the limited access sector, they could do so if they meet the requirements of the contract
 - Specification that processor affiliated harvesters cannot participate in price-setting negotiations except as permitted by general anti-trust law
- g. Cooperative members are jointly and severally responsible for cooperative vessels harvesting in the aggregate no more than their cooperative's allocation of target species and PSC allowances, as may be adjusted by annual inter-cooperative transfers.
- h. Cooperatives will submit a written report annually to the Council and NMFS. Specific criteria for reporting shall be developed by the Council and specified by NMFS as part of the program implementing regulations.
- i. Permit post-delivery transfers of annual allocations among cooperatives. All post-delivery transfers must be completed by December 31.

7. Voluntary catcher processor cooperative structure

- a. Annually allocate species to the cooperative. For an eligible CP, the CP history of the vessel in the qualifying years will be assigned to the LLP on the vessel at the time of implementation of the program. Qualifying years:
- Option 1. 2008 – 2012
 - Option 2. 2007 – 2012
 - Option 3. 2003 – 2012
- b. Apportion halibut PSC and Chinook salmon PSC limits to each cooperative on a pro rata basis relative to target fisheries of vessels in the cooperative [such as, non-pollock Chinook salmon cap divided by area and then based on non-pollock landings (~~excluding CG rockfish~~ **including a PSC apportionment to CG rockfish program participants on a pro rata basis relative to CG rockfish targets**); halibut PSC apportioned by area and then in proportion to target groundfish landings associated with cooperative members' LLPs (**excluding CG rockfish**).] Once in the cooperative, PSC can be used to support any target fisheries within the cooperative at any time (no seasonal or area PSC apportionments).

- c. Participants can choose to either join a cooperative or operate in a limited access fishery [sector-level, non-transferable target allocations and PSC]. No later than November 1 of each year, an application must be filed with NMFS by the cooperative with a membership list for the year. In order to operate as a cooperative, membership must be comprised of:
 - Option 1: at least 2 separate entities (using the 10% individual and collective rule) and/or
 - Option 2: at least [2 – 4] eligible LLP licenses. An LLP must have associated catch history to count toward the threshold.
- d. Cooperative members shall internally allocate and manage the cooperative’s allocation per the cooperative contract. Cooperatives are intended only to conduct and coordinate harvest activities of the members and are not FCMA cooperatives.
- e. The contract would require signatures of all LLP holders in the cooperative. The annual cooperative contract must include:
 - Bylaws and rules for the operation of the cooperative
 - Annual fishing plan
 - Operational plan for monitoring and minimizing PSC, with vessel level accountability, as part of the annual fishing plan
- f. Cooperative members are jointly and severally responsible for cooperative vessels harvesting in the aggregate no more than their cooperative’s allocation of target species, secondary species, and PSC, as may be adjusted by annual inter-cooperative transfers.
- g. Cooperatives will submit a written report annually to the Council and NMFS. Specific criteria for reporting shall be developed by the Council and specified by NMFS as part of the program implementing regulations.
- h. Permit post-delivery transfers of annual allocations among cooperatives. All post-delivery transfers must be completed by December 31.
- i. No person may hold or use more than the following percentage of allocated target species CP cooperative quota in each region, using the individual and collective rule:
 - Option 1. 30%
 - Option 2. 40%

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

a. Consolidation limits

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

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

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

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

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

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

b. Regionalization of target species quota

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

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

c. Active participation criteria

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

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

9. **Transferability**

- a. (Annually) Full transferability of cooperative quota, including PSC separately, for annual use within the cooperative. Cooperatives can engage in inter-cooperative transfers of annual allocations to other cooperatives on an annual basis. CP annual cooperative allocations may be transferred to inshore cooperatives; inshore annual cooperative allocations cannot be transferred to CP cooperatives. Inter-cooperative transfers must be processed and approved by NMFS.
- b. (Long-term) The LLP is transferable, with the associated history of the target species (which, when entered into a cooperative, brings with it a pro rata share of PSC).

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

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

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

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

10. Gear conversion

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

11. Limited access trawl fisheries (CV and CP)

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

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

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

12. Sideboards

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

~~The Council requests further discussion of sideboards on directed fishing for Pacific cod with pot gear in the WG and CG (harvest that accrues to the Pacific cod pot sector allocations), as well as further information to consider whether CV sideboards are necessary for the BSAI Pacific cod and yellowfin sole fisheries.~~

13. Program review

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

14. Cost recovery and loan program

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

ALTERNATIVE 3 (Clarifications)

4. Voluntary inshore cooperative structure

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

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

~~Suboption: The non-pollock Chinook salmon PSC limit and halibut PSC limit would first be divided between cod and flatfish landings, before allocating equal shares per vessel to each cooperative~~

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

5. Transferability and consolidation limits

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

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

~~(Long-term) LLPs are transferable. PSC cannot be permanently transferred separately from a license or vessel.~~

6. Limited Access trawl CV fishery

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

ALTERNATIVE 4 (*Replaces introduction and the language of Option 1 [CFA]*)

ALTERNATIVE 4. Gulf of Alaska Trawl Bycatch Management Program (Alternative 2 and Alternative 3) with a Community Fisheries Association allocation or Adaptive Management Program. (*Options 1 and 2 are mutually exclusive.*)

Option 1. Community Fisheries Association (CFA)

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

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

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

Element 2. Number of CFAs

Option 1. One GOA CFA

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

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

¹U.S.C. § 1853A(c)(3)

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

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

1. Provide for the sustained (current and historical) participation of fishing communities (MSA National Standard 8).
2. Minimize adverse economic impacts on fishing communities (MSA National Standard 8).
3. Assist entry-level and small vessel owner-operators, captains and crew and fishing communities (MSA §303A(c)(5)(C)).
4. Incentivize additional bycatch savings beyond standard requirements by rewarding those willing to adopt additional measures to reduce bycatch with access to additional CFA quota.

b. The CFA may respond to several of the Council's established Goals and Objectives for the program (numbers refer to Council Goals and Objectives):

4. Authorize fair and equitable access privileges that take into consideration the value of assets and investments in the fishery and dependency on the fishery for harvesters, processors, and communities.
6. Promote community stability and minimize adverse economic impacts by limiting consolidation, providing employment and entry opportunities, and increasing the economic viability of the groundfish harvesters, processors, and support industries.
13. Minimize adverse impacts on sectors and areas not included in the program.
14. Promote active participation by owners of harvest vessels and fishing privileges.

c. Possible CFA goals and objectives adopted by the CFA within Council objectives:

- ~~1. Maintain the historical number of active trawl vessels home ported in CFA communities.~~
- ~~2. Maintain the historical number of active trawl skippers that are resident in CFA communities.~~
- ~~3. Maintain the historical number of GOA trawl vessel crewpersons that are resident in CFA communities.~~
- ~~4. Maintain the amount of quota owned and/or operated by CFA community residents.~~
5. 1. Maintain crew compensation **for CFA quota** at levels established prior to the rationalization program.
6. 2. Enable fishermen to transition into the GOA trawl fishery under the new management
7. 3. Facilitate gear conversion within provisions of main program.

Element 4. Communities eligible for participation via the CFA ^(L)_(SEP)

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

~~In order to be eligible for participation, a community must meet the following criteria:~~

- ~~— Adjacent to saltwater located within the Western, Central, or West Yakutat regulatory areas of the GOA coast of the North Pacific Ocean;~~
- ~~— Population of less than 6,500 (based on 2000 census);~~
- ~~— Consists of residents having any Gulf (WG, CG, WY) groundfish commercial permit and/or fishing or processing activity as documented by CFEC in the last ten years (2004-2014);~~
- ~~— Have a high potential for economic and social impacts associated with a LAPP program on harvesters, captains, crew, processors, and other businesses substantially dependent upon the fishery, or the potential for improving economic conditions in remote coastal communities lacking resources to participate in harvesting or processing activities in the fishery; and~~
- ~~— Have submitted a community sustainability plan through the CFA.~~

Element 5. The CFA must provide community sustainability plan which includes: ^(L)_(SEP)

a. Description of board, governance structure: ^(L)_(SEP)

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

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

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

Option 1: member communities on a one vote per community basis,

Option 2: the Governor of the State of Alaska.

~~The Board of Directors will be selected via a nomination process in which each interest group submits nominations to the relevant borough government (Kodiak Island Borough for the Central Gulf and Aleutians East Borough for the Western Gulf). Board members will serve 4-year terms. The relevant borough assembly will then appoint a representative from the nominees in a public meeting.~~

The Boards will be structured as follows:

Central Gulf (9 seats)

Kodiak Borough government (1 seat)

Kodiak City government (1 seat)

Kenai Borough government

Cook Inlet/Prince William Sound Non-CQE (1 seat)
At-large **CQE or non CQE community** seat (1 seat)
Trawl sector (1 seat)
Processors (1 seat)
Fixed gear sector (1 seat)
Crew-**trawl or non-trawl** (1 seat)
~~Rural~~**CQE** Community Member (1 seat)

Western Gulf (9 seats)

Aleutians East Borough (1seat)

City of King Cove (1 seat)

City of Sand Point (1 seat)

At-large community seat **King Cove** (1 seat)

At-large community seat Sand Point (1 seat)

Trawl sector (1 seat)

Processors (1 seat)

Fixed gear sector (1 seat)

Crew – **trawl or non-trawl** (1 seat)

~~Option 2. (Applies to Element 2, Option 1 without the suboption)~~

~~The Board of Directors will be selected via a nomination process in which each interest group submits nominations to the relevant city or borough government (crew will apply to the borough government within which they reside). Board members will serve 4 year terms. The relevant borough assembly will then appoint a representative from the nominees in a public meeting. The Board will be structured as follows:~~

~~Aleutians East Borough (3 reps)~~

~~Lake and Peninsula Borough (1 rep)~~

~~Kodiak Borough (2 reps)~~

~~Yakutat Borough (1 rep)~~

~~Kenai Borough (2 reps)~~

~~City of Kodiak (2 reps)~~

~~Crew (1 seat)~~

~~Trawl sector (1 seat)~~

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

~~Option 1: (applies to Option 1 above)~~

~~The Board of Directors will vote on the Executive Committee, which consists of members from the Board of Directors for the Central and/or Western Gulf of Alaska regions~~

Executive Committee members will serve ~~[4]~~ 3-year **staggered** terms. ~~Executive Committee will consist of:~~

~~Kodiak Island Borough/City Government (1 seat)
Aleutians East Borough (1 seat)
Trawl sector (1 seat)
Fixed gear sector (1 seat)
Processor (1 seat)
Crew (1 seat)~~

~~Option 2: (applies to Option 2 above)~~

~~The Board of Directors will vote on the Executive Committee, which consists of members from the Board of Directors. Executive Committee members will serve 4-year terms. It will consist of:~~

~~Aleutians East Borough (1 rep)
Lake and Peninsula Borough (1 rep)
Kodiak Borough (1 rep)
Yakutat Borough (1 rep)
Kenai Borough (1 rep)
City of Kodiak (1 rep)
Trawl sector (1 seat)~~

b. Description of quota distribution process:

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

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

~~Quota may be distributed based on a combination of fishing history, code of conduct, GOA dependence, entry level needs and bycatch performance standards. For instance, quota distribution could be based 20% on history, 20% code of conduct (including but not limited to limits on lease rates, equitable crew compensation, community hire preference) 20% GOA dependence, 20% entry level needs, 20% bycatch performance.~~

Contract terms may include:

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

The CFA's lease rates:

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

~~To receive quota, harvesters must join a cooperative. Vessels must also comply with a set list of contract terms via a contract with the CFA. Contract terms will be phased in over the initial 2-year period to allow time for the fleet to adapt.~~

~~An appeal/redress mechanism will need to be established for community members to express disagreement with how the quota is being leased. This appeals process must include NMFS since the agency is charged with providing due process and fair, impartial hearings.~~

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

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

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

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

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

Option 1: 10-30%

Use of Lease Proceeds by CFA.

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

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

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

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

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

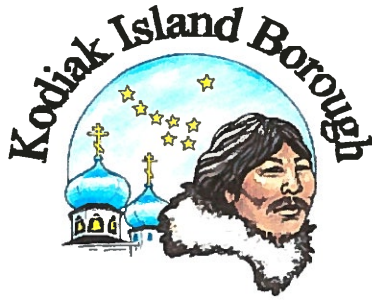
Element 7. CFA Cooperative Program Integration

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

Direction on scoping and analysis

The Council directs staff to provide a preliminary analysis describing the impacts of the alternatives adopted by the Council. This preliminary analysis should clearly describe the impacts of the components of the alternatives.

The Council requests that NMFS publish a Federal Register Notice announcing a new public scoping opportunity on the Council's purpose and need, goals and objectives, and the alternatives adopted by the Council. NMFS should provide a scoping report that summarizes the results of this public scoping process.



Kodiak Island Borough
710 Mill Bay Road, Rm. 101
Kodiak, AK 99615
907.486.9310



City of Kodiak
710 Mill Bay Road, Rm. 216
Kodiak, AK 99615
907.486.8636

August 28, 2015

Glenn Merrill
Assistant Regional Administrator, Sustainable Fisheries Division
Alaska Region NMFS
Attn: Ellen Sebastian

Re: NOAA—NMFS—2014—0150
Comments submitted electronically

Gulf of Alaska Trawl Bycatch Management

Representing the communities of the Kodiak region with direct involvement in the groundfish fisheries of the Gulf of Alaska, the City of Kodiak and Kodiak Island Borough have been active participants in the Gulf Trawl Bycatch Management (GTBM) development process. We have provided the North Pacific Fishery Management Council (NPFMC) with the views of our community as a whole.

The Kodiak Fisheries Work Group (KFWG) has discussed the GTBM action at monthly public meetings since 2012, understanding that the outcome of this Council action will have profound effects on our community as well as on harvesters and processors. Kodiak municipal leaders consider the community to be the necessary "third leg of the stool." The welfare of all three of these sectors will continue to be our focus as the Council moves forward.

Through resolutions (attached), the City and Borough identified ten community goals, which continue to guide the community in discussing the proposed management program. First on this list is to provide effective controls of prohibited species catch and other bycatch, while providing for balanced and sustainable fisheries and healthy harvesting and processing sectors.

The community of Kodiak has recently experienced the negative effects of a fishery closure as a result of bycatch exceeding Prohibited Species Catch (PSC) hard caps placed on a traditional, non-rationalized fishery. Processors and their employees, fishermen and their crews, multiple Kodiak families, support businesses, and the community's tax revenues all suffered substantial losses as a result of the current lack of bycatch management tools.

We continue to strongly support the Council's initiative to reduce bycatch, and have encouraged Council progress in advancing a cooperative management program as a tool in this effort.

While we recognize that harvesting groundfish through cooperatives is a powerful method for controlling bycatch, the community has not yet arrived at positions about all the aspects of allocating harvest, or catch shares, to individuals and/or other entities. As well as considering the effects of a catch share program on harvesters and processors, the community is seeking to understand and analyze the overall social and economic impacts of catch shares, allocation schemes, and other important aspects of cooperative management.

The City and Borough's KFWG is sponsoring a community roundtable discussion in September on the key aspects of catch shares and cooperatives. In addition, the City and Borough are currently considering proposals in response to an RFP to provide information that should help in analyzing the economic effects on the community of key aspects of fishery management programs. This study should provide a baseline profile of the community's direct involvement in the fishing and processing industries; information on the support business sectors; contributions to the industry through municipal infrastructure; and estimates of the economic effect of seafood and support industries on the community economy.

In short, the community is focused on understanding what an eventual management program should include to ensure the continued economic and social health of the community as a whole.

It is clear the Kodiak community is in the midst of considering the essential elements of a new groundfish management system. Likewise, the Council may be closer to the middle of this process than the end. The current alternatives provide a range of choices for allocation and use of harvest privileges. The community supports retaining the current Alternative 2 and 3 for further analysis. However, while the current GTBM motion and alternatives before the Council are the focus of this EIS scoping exercise, we are aware that the alternatives in the current motion may be changed or added to by subsequent Council decisions. As the State of Alaska asked for a ten-month delay in GTBM discussions in order to review the issues, we recognize that the resumption of this action in October may see a change in direction.

Specific comments on the current alternatives:

The following points are based on the most recent comment letter from the City and Borough to the Council, in October 2014, modified to reflect action taken at the October Council meeting. They refer to components of the current alternatives, as well as to additional aspects of a management program that could address community concerns, based on the ten goals and subsequent discussions.

1. Consolidation: Quota consolidation limits (quota control caps and vessel use caps) and processing caps for processors.

Consolidation of licenses on fewer trawl vessels does not affect the total amount of harvest or the associated landing taxes/processing revenues and processing employment opportunities (assuming historic community delivery patterns are maintained), but it can impact the number of available crew jobs, shares paid to crew, and the amount of demand for shore-based support services.

The community recognizes avoiding all consolidation could reduce the management efficiencies that are the heart of a cooperative structure, and supports further analysis of a range of consolidation limits for both harvesters and processors.

In addition, the community supports further analysis of grandfathering in quota control and processing levels in excess of the caps, including analysis of the concept of specifying a time period after which quota control in excess of the cap must be divested (sunset provision).

The community also recognizes the importance of further analyzing vessel use caps that are applicable within cooperatives.

2. Regionalization: Regionalization of quota based on historical delivery patterns.

Regionalization applies to target species only and is a measure to preserve historical delivery levels to shore-side processors in each management area. As the regional landing requirement would specify landings only as Central Gulf (CG) or Western Gulf (WG), the motion also contains an option that would require target species CG quota historically landed in the port of Kodiak to continue to be landed in the port of Kodiak.

The intent of regionalization (and port of landing requirement) is to maintain processing levels and the associated employment opportunities at or near historical levels. At this time, the community supports further analysis of both the regional and the port delivery requirements.

3. Fishery participation criteria: Participation criteria thresholds that define eligibility for the purchase of trawl licenses and/or history/quota.

Currently persons (the definition of which includes individuals, corporate entities and government and community entities) must be able to document a fishing vessel to hold and purchase an LLP, and to purchase and hold quota. There is support for further analysis of participation criteria for the applicable fisheries, including the ability for communities to hold quota in the program.

4. Community participation in cooperative: An option where the community in which the processor is located would also be required to sign the cooperative contract, potentially allowing the community to support cooperative practices that meet community goals and objectives.

There are two levels at which the community can play an active role in the contract development process – the regulatory level and the cooperative management level. At the first level, the community believes that the cooperative contracts should embody the goals of the community, which should be built into the contract requirements by regulation.

Regarding the cooperative management level, the community supports further analysis of the concept of community participation and approval at the inter-cooperative level.

In addition, the community supports cooperatives providing quarterly performance reports to the community.

5. Ability to sever target quota from a license: The ability to sever target species history from a license and transfer it to another license.

This element would allow for a smaller piece of target species history to be severed from a trawl license (as opposed to purchasing the entire license), and used on a latent trawl license,

allowing for new entry at lower cost. The community supports this concept for further analysis, including the concept of providing for a maximum amount of history that could be severed from each license.

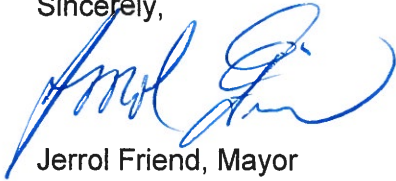
6. CFAs: An alternative to provide for formation and operation of Community Fishing Associations, as described in the Magnuson Stevens Act.

The community supports further analysis of the CFA alternative. We would like to see a side-by-side analysis of the proposed management program's potential attainment of the Council's goals and objectives both with a CFA, and without a CFA.

7. Additional comments on proposed management design:

The community recognizes the potential difficulties in opening a limited access fishery with a small amount of quota, and supports continued analysis on this aspect of the proposed program.

Sincerely,



Jerrol Friend, Mayor
Kodiak Island Borough



Pat Branson, Mayor
City of Kodiak

DEPARTMENT OF COMMERCE**National Oceanic and Atmospheric Administration****50 CFR Part 679**

RIN 0648-XD649

Fisheries of the Exclusive Economic Zone Off Alaska; Groundfish Fisheries in the Gulf of Alaska; Reopening of Comment Period

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Notice of intent to prepare an environmental impact statement; reopening of public comment period.

SUMMARY: NMFS, in consultation with the North Pacific Fishery Management Council (Council), announces its intent to expand the scope of an Environmental Impact Statement (EIS) for a new bycatch management program for trawl groundfish fisheries in the Gulf of Alaska (GOA). The bycatch management program for the GOA trawl groundfish fisheries would provide participants with incentives to effectively manage and reduce Chinook salmon and Pacific halibut bycatch and promote increased utilization of groundfish harvested in the GOA. NMFS previously published a notice of intent to prepare an EIS for the new bycatch management program on July 14, 2015. In June 2016, NMFS and the Council decided to reopen the comment period on the notice of intent to prepare an EIS because the Council and NMFS expanded scope of the EIS. NMFS will accept written comments from the public to identify issues of concern and assist the Council in determining the appropriate range of management alternatives for the EIS.

DATES: The comment period for the notice of intent published on July 14, 2015 (80 FR 40988) is reopened. Written comments will be accepted through September 26, 2016.

ADDRESSES: You may submit comments on this document, identified by NOAA-NMFS-2014-0150, by any of the following methods:

- *Electronic Submission:* Submit all electronic public comments via the Federal e-Rulemaking Portal. Go to www.regulations.gov/#!docketDetail;D=NOAA-NMFS-2014-0150, click the "Comment Now!" icon, complete the required fields, and enter or attach your comments.
- *Mail:* Submit written comments to Glenn Merrill, Assistant Regional

Administrator, Sustainable Fisheries Division, Alaska Region NMFS, Attn: Ellen Sebastian. Mail comments to P.O. Box 21668, Juneau, AK 99802-1668.

Instructions: Comments sent by any other method, to any other address or individual, or received after the end of the comment period, may not be considered by NMFS. All comments received are a part of the public record and will generally be posted for public viewing on www.regulations.gov without change. All personal identifying information (e.g., name, address), confidential business information, or otherwise sensitive information submitted voluntarily by the sender will be publicly accessible. NMFS will accept anonymous comments (enter "N/A" in the required fields if you wish to remain anonymous).

FOR FURTHER INFORMATION CONTACT: Rachel Baker, (907) 586-7228 or email rachel.baker@noaa.gov.

SUPPLEMENTARY INFORMATION:**Background**

The Council is considering the establishment of a new bycatch management program for the GOA trawl groundfish fisheries. On July 14, 2015, NMFS announced its intent to prepare an EIS pursuant to the National Environmental Policy Act (NEPA) on the proposed bycatch management program (80 FR 40988). In the notice of intent, NMFS requested input from the public on the scope of the EIS, in addition to seeking comment for a range of reasonable alternatives and impacts to affected resources. NMFS received 36 public comments during the scoping period and provided a scoping report to the Council in October 2015. Based on the comments received on the July 14, 2015, notice of intent and on public input received by the Council at 10 of its meetings between October 2012 and June 2016, NMFS and the Council have decided to seek additional public input to assist them in determining the appropriate range of management alternatives for the EIS. The July 14, 2015, notice of intent provides additional detail on the GOA trawl groundfish fisheries and the proposed EIS (80 FR 40988).

NMFS and the Council have determined the preparation of an EIS may be required for the proposed action because some important aspects of the bycatch management program on target and bycatch species and their users may be uncertain or unknown and may result in significant impacts on the human environment not previously analyzed. NMFS and the Council are seeking information from the public

through the EIS scoping process on the range of alternatives to be analyzed, and on the environmental, social, and economic issues to be considered in the analysis. Written comments generated during the previous scoping process and this scoping process will be provided to the Council and incorporated into the EIS for the proposed action.

Authority for the Proposed Action

Under the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act), the United States has exclusive fishery management authority over all fishery resources found within the exclusive economic zone (EEZ). The management of these fishery resources is vested in the Secretary of Commerce (Secretary). The Council has the responsibility to prepare fishery management plans for the fishery resources that require conservation and management in the EEZ off Alaska. Management of the Federal groundfish fisheries in the GOA is carried out under the Fishery Management Plan for Groundfish of the Gulf of Alaska (FMP). The FMP, its amendments, and implementing regulations (found at 50 CFR part 679) are developed in accordance with the requirements of the Magnuson-Stevens Act and other applicable Federal laws and executive orders, notably the NEPA and the Endangered Species Act (ESA).

Development of the Proposed Action

In October 2012, the Council unanimously adopted a purpose and need statement, and goals and objectives, to support the development of a proposed bycatch management program that would allocate exclusive harvest privileges for target groundfish species and prohibited species catch (PSC) to individuals, cooperatives, or other entities. Allocation of allowable harvests in the form of exclusive harvest privileges is a type of management approach that replaces the rigid management structure of a derby fishery with a flexible program that provides vessel-level accountability for harvests and removes disincentives to controlling and reducing bycatch and waste. Allocating exclusive harvest privileges to fishery participants can mitigate the potential negative impacts of a derby fishery on target and prohibited species, and on the operational and economic efficiency of the fisheries. In this type of management approach, a portion of the catch for a species (the exclusive harvest privilege) is allocated to individual fishermen, cooperatives, or other entities. Each participant in the fishery must have an exclusive harvest privilege, and each

holder of harvest privileges must stop fishing when the holder's specific share of the quota is reached. The allocation of exclusive harvest privileges removes incentives for each participant to maximize catch rates to capture a larger share of the available catch before the fishery is closed. As a result, participants can make operational choices to improve fishing practices. These choices could include fishing in a slower and more efficient fashion, using modified gear with a lower harvest rate but which reduces bycatch, coordinating with other vessel operators to avoid areas of high bycatch, and processing fish in ways that yield increased value but which are possible only by slowing the pace of the fishery. This management approach allows fishermen to plan their fishing effort around the weather, markets, or other business considerations and allows other fishery dependent businesses to plan more effectively.

The Council has recommended and NMFS has implemented groundfish management programs in the EEZ off Alaska that allocate exclusive harvest privileges to fishery participants. These programs allocated a long-term exclusive harvest privilege to initially qualified participants for target groundfish species and PSC. The long-term exclusive harvest privilege yields an annual allocation of a portion of the TAC for target groundfish species and a portion of the applicable PSC limit. Based on experience with these programs, the Council and NMFS have determined that allocating exclusive harvest privileges of target groundfish species and PSC creates a structure for fishery participants to efficiently manage harvesting and processing activities that can result in reduced bycatch and improved utilization of groundfish fisheries. Additional information on these management programs is provided in the final rules implementing the American Fisheries Act in the Bering Sea (67 FR 79692, December 30, 2002), the Amendment 80 Program in the Bering Sea and Aleutian Islands (72 FR 52668, September 14, 2007), and the Rockfish Program in the Central GOA (76 FR 81248, December 27, 2011).

The Council continued to develop and refine its purpose and need and goals and objectives for a proposed bycatch management program for the GOA trawl groundfish fisheries at six of its meetings between October 2012 and October 2014. During this time period, the Council received testimony from stakeholders that the allocation of long-term exclusive harvest privileges can reduce opportunities for new

participants to enter the fisheries. These stakeholders noted that the long-term exclusive harvest privileges allocated in previous management programs have acquired a high value as the overall value of the fishery increased. This has created a high cost of entry for new participants because they must purchase long-term exclusive harvest privileges to participate in the fisheries. The stakeholders indicated that the high cost of entry has resulted in economic barriers to new entry in these fisheries and requested that the Council consider measures to minimize these economic barriers in the proposed bycatch management program. The Council also received testimony indicating that the allocation of long-term harvest privileges can adversely impact fishery-dependent communities through fleet consolidation and changes in the distribution of fishery benefits.

In October 2015, the Council stated its intent to address concerns about potential economic barriers for new participants and adverse impacts on communities by including a new type of proposed bycatch management program that would allocate only PSC on an annual basis to individuals or cooperatives rather than allocating long-term exclusive harvest privileges for both target groundfish species and PSC. In June 2016, the Council identified an overarching goal and objective for the proposed bycatch management program to minimize economic barriers for new participants and maintain opportunities for entry into the trawl groundfish fisheries by limiting the type and duration of exclusive harvest privileges that may be allocated under the proposed bycatch management program. The Council also stated its intent to seek public input on additional mechanisms to limit exclusive harvesting privileges that may be allocated under the proposed bycatch management program to meet the Council's goals and objectives for the program.

Purpose and Need for the Proposed Action

The Council has identified the following purpose and need statement and goals and objectives for the proposed bycatch management program:

Purpose and Need Statement:

Management of Gulf of Alaska (GOA) groundfish trawl fisheries has grown increasingly complicated in recent years due to the implementation of measures to protect Steller sea lions and reduced Pacific halibut and Chinook salmon Prohibited Species Catch (PSC) limits under variable annual total allowable catch (TACs) limits for target groundfish species. These changes complicate

effective management of target and non-target resources, and can have significant adverse social and economic impacts on harvesters, processors, and fishery-dependent GOA coastal communities.

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

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

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

Overarching Goal and Objective:

The overarching goal of the Gulf of Alaska Trawl Bycatch Management program is to provide the fleet tools for the effective management and reduction of PSC and bycatch, and promote increased utilization of both target and secondary species while minimizing

economic barriers for new participants by limiting harvest privileges that may be allocated (target species and/or prohibited species) in order to maintain opportunity for entry into the GOA trawl fisheries.

Goals and Objectives:

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

14. Promote active participation by owners of harvest vessels and fishing privileges

Proposed Action

The proposed action to be analyzed in the EIS is a bycatch management program for the GOA trawl groundfish fisheries that would provide participants with incentives to effectively manage bycatch and reduce PSC, and that would promote increased utilization of groundfish harvested in the GOA. The proposed action is intended to improve stock conservation by imposing accountability measures for utilizing target and incidental catch and minimizing PSC to the extent practicable, creating incentives to eliminate wasteful fishing practices, providing mechanisms for participants to control and reduce bycatch in the trawl groundfish fisheries, and improving safety of life at sea and operational efficiencies. The proposed action would apply to participants in Federal groundfish fisheries prosecuted with trawl gear in the following areas: (1) The Western GOA Regulatory Area (Western GOA), (2) the Central GOA Regulatory Area (Central GOA), and (3) the West Yakutat District of the Eastern GOA Regulatory Area (West Yakutat District). These areas are defined at § 679.2 and shown in Figure 3 to 50 CFR part 679.

Alternatives

NMFS, in coordination with the Council, will evaluate a range of alternative bycatch management programs for the trawl groundfish fisheries in the Western GOA, Central GOA, and West Yakutat District. NMFS and the Council recognize that implementation of a GOA trawl bycatch management program would result in substantial changes to many of the current management measures for the GOA groundfish fisheries. The EIS will analyze these changes as well as alternative ways to manage target and incidental groundfish species and PSC in the GOA groundfish fisheries. The potential alternatives already identified for the bycatch management program are available on the Council's Web site at <http://www.npfmc.org/goa-trawl-bycatch-management/>. The following briefly summarizes the potential alternatives already identified for the EIS:

Alternative 1

Alternative 1 is the no action alternative (status quo). The Council and NMFS annually establish biological thresholds and annual total allowable catch limits for groundfish species to

sustainably manage the groundfish fisheries in the GOA. The Council and NMFS implemented the license limitation program (LLP), which limits access to the groundfish fisheries in the GOA. The groundfish LLP requires each vessel in the GOA to have an LLP license on board the vessel at all times while directed fishing for license limitation groundfish, with limited exemptions. The preamble to the final rule implementing the groundfish LLP provides a more detailed explanation of the rationale for specific provisions in the LLP (October 1, 1998; 63 FR 52642).

While the LLP limits the total number of vessels that can participate in the GOA groundfish fisheries, it does not limit harvest by individual vessels or assign exclusive harvest privileges to specific vessels or entities. This has led to a competitive derby fishery in the GOA groundfish fisheries, in which fishermen race against each other to harvest as much fish as they can before the annual catch limit or the PSC limit is reached and the fishery is closed for the season. A derby fishery relies on a fairly rigid management structure that is not adaptable to changes in weather, markets, or other operating considerations. Therefore, a derby fishery often results in shorter fishing seasons and unsafe fishing practices. It can also create a substantial disincentive for participants to take actions to reduce bycatch use and waste, particularly if those actions could reduce groundfish catch rates. In a derby fishery, participants who choose not to take actions to reduce bycatch and waste stand to gain additional groundfish catch by continuing to harvest at a higher bycatch rate, at the expense of any vessels engaged in bycatch avoidance.

The Council has designated Pacific salmon and Pacific halibut, along with several other species (Pacific herring, steelhead trout, king crab, and Tanner crab) as prohibited species in the GOA groundfish fisheries. Prohibited species are species taken incidentally in the groundfish trawl fisheries and designated as "prohibited species" because they are target species in other, fully utilized domestic fisheries. The Council has recommended and NMFS has implemented various measures to control the catch of such prohibited species in GOA groundfish fisheries. Prohibited species incidentally caught while directed fishing for groundfish in the GOA may not be sold or kept for personal use and must be discarded with a minimum of injury. In addition, the GOA groundfish fishery restrictions include PSC limits for Chinook salmon and Pacific halibut to constrain the

amount of bycatch of these species in the groundfish fisheries. When harvest of prohibited species in a groundfish fishery reaches the specified PSC limit for that fishery, NMFS closes directed fishing for the target groundfish species, even if the total allowable catch limit for that target groundfish species has not been fully harvested.

Alternative 2

Alternative 2 is a bycatch management program that would allocate exclusive harvest privileges to participants in the Western GOA, Central GOA, and West Yakutat District trawl groundfish fisheries who voluntarily join a cooperative. Participants who do not choose to join a cooperative would have the opportunity to participate in the current limited access management system under the groundfish LLP. In Alternative 2, the Council is considering allocating exclusive harvest privileges for target groundfish species and Chinook salmon and Pacific halibut PSC to cooperatives. Alternative 2 contains several elements and options for determining eligible participants, groundfish species and PSC to be allocated, and methods for determining allocations to cooperatives and the limited access fishery. Alternative 2 includes elements and options for cooperative formation and membership that are intended to provide incentives for participation by harvesters and processors to improve coordination and operational efficiencies. Alternative 2 also contains a number of elements that are intended to provide for fishery dependent community stability, such as harvest privilege consolidation limits and area- and port-specific delivery requirements.

Alternative 3

Alternative 3 is a bycatch management program that would allocate Chinook salmon and Pacific halibut PSC to participants in the Western GOA, Central GOA, and West Yakutat District trawl groundfish fisheries who voluntarily join a cooperative. Participants who do not choose to join a cooperative would have the opportunity to participate in the current limited access management system under the groundfish LLP. Alternative 3 contains several elements and options for determining eligible

participants and methods for determining PSC allocations to cooperatives and the limited access management fishery. Alternative 3 also includes elements and options for cooperative formation and membership that are intended to provide incentives for participation by harvesters and processors to improve coordination and operational efficiencies.

Alternative 4

Alternative 4 is a bycatch management program that would allocate exclusive harvest privileges to fishery participants who voluntarily join a cooperative under Alternative 2 and either (1) a Community Fishing Association as defined in section 303A(c)(3) of the Magnuson-Stevens Act or (2) an Adaptive Management Program. Participants who do not choose to join a cooperative would have the opportunity to participate in the current limited access management system under the groundfish LLP. In Alternative 4, the Council is considering allocating exclusive harvest privileges for target groundfish species and PSC to cooperatives and either a Community Fishing Association or to persons who meet the criteria established for an Adaptive Management Program. The allocation to a Community Fishing Association or Adaptive Management Program would meet objectives that include providing for sustained participation of fishing communities, promoting conservation measures, and assisting vessel owner-operators, captains, and crew who want to enter and participate in the GOA trawl groundfish fisheries.

Public Involvement

Scoping is an early and open process for determining the scope of issues to be addressed in an EIS and for identifying the significant issues related to the proposed action. A principal objective of the scoping and public involvement process is to identify a range of reasonable management alternatives that, with adequate analysis, will delineate critical issues and provide a clear basis for distinguishing among those alternatives and selecting a preferred alternative. Through this notice, NMFS is reopening the comment period on scoping for the EIS for the proposed bycatch management program so that interested or affected people may

participate and contribute to the final decision.

NMFS is reopening the comment period to seek written public comments on the scope of issues, including potential impacts, and alternatives that should be considered for a bycatch management program for the trawl groundfish fisheries in the Western GOA, Central GOA, and West Yakutat District of the GOA. NMFS will consider written public comments received during this scoping process, as well as those received during the scoping process from July 14, 2015, through August 28, 2015 (80 FR 40988), and provide the Council with a summary of all written comments received to assist the Council in determining the appropriate range of management alternatives for the EIS. Written comments should be as specific as possible to be the most helpful. Written comments received during the scoping process, including the names and addresses of those submitting them, will be considered part of the public record of the proposed action and will be available for public inspection. Written comments will be accepted at the address above (see **ADDRESSES**). Please visit the NMFS Alaska Region Web site at <http://www.alaskafisheries.noaa.gov> for more information on the GOA trawl bycatch management program EIS and for guidance on submitting effective written public comments.

The public is invited to participate and provide input at Council meetings where the latest scientific information regarding the GOA groundfish fisheries is reviewed and alternative bycatch management programs are developed and evaluated. Notice of future Council meetings will be published in the **Federal Register** and on the Internet at <http://www.npfmc.org/>. Please visit this Web site for information and guidance on participating in Council meetings. Additional information on the Council's development of the GOA trawl bycatch management program is available at <http://www.npfmc.org/goa-trawl-bycatch-management/>.

Authority: 16 U.S.C. 1801 *et. seq.*

Dated: July 25, 2016.

Emily H. Menashes,
Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service.

[FR Doc. 2016-17879 Filed 7-27-16; 8:45 am]

BILLING CODE 3510-22-P



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May 31, 2016

Chairman Dan Hull
North Pacific Fishery Management Council
Anchorage, Alaska
Submitted electronically by email to: npfmc.comments@noaa.gov

Re: Agenda item C5, Gulf of Alaska Trawl Bycatch Management

Dear Chairman Hull:

The City of Kodiak and Kodiak Island Borough have been active participants in the Gulf Trawl Bycatch Management development process since 2012. At every opportunity, we have shared our perspectives with the North Pacific Fishery Management Council, based on the ten goals identified by the community.

Kodiak municipal leaders consider the community to be a stakeholder with equal weight and importance to all harvesting and processing interests affected by a new trawl management program. The welfare of all stakeholder groups will continue to be our focus as the Council moves forward.

We believe it is imperative to let the Council know that the whole Kodiak Archipelago – the health and strength and culture of the communities – is dependent on fisheries. This community needs to continue to be at the table in the ongoing management of the program, to be a part of how fishery management evolves over time.

We attach here a revised draft of a McDowell economic study commissioned by the City and Borough to gather information and help analyze the economic effects of fisheries on the community. This study provides a baseline profile of the community's direct involvement in the fishing and processing sectors; estimates economic effects on support businesses; catalogues municipal infrastructure and utilities' relationship to the industry, and clarifies the enormous contributions of the seafood and support industries to the community economy.

In addition, the KFWG has sponsored in the last year two community round table discussions, as well as public presentations by industry, NGO, Council, State and academic experts.

Through joint resolutions, the City and Borough identified ten community goals (attached for your reference), which continue to guide the community in evaluating the proposed management program. Six consecutive KFWG meetings were devoted to discussions of these goals, analyzing how each goal might be furthered by specific elements in the GTBM program alternatives. We invited individual sector representatives to the table, and opened the floor to public dialogue and involvement in the KFWG discussions.

We focused particularly on those proposed program elements that relate to community stability, and noted where community protection aspects were the strongest, as well as where they might be lacking. In short, we are dedicated to understanding and communicating what an eventual management program should include, to ensure the continued economic and social health of the community as a whole.

We respectfully submit the following comments:

We support creating a universal community stability element (such as Element 8 of Alternative 2), and analyzing: 1) consolidation limits, 2) target species regional delivery requirements and 3) active participation criteria, for inclusion in all the alternatives as applicable. These elements deal with many of the key community goals and concerns; we provide more detail as to their importance in subsequent comment sections.

Regarding Community Goal #1:

Program element: 100% observer coverage

We agree that 100% monitoring is an essential part of a bycatch management program, and should be an objective. We support further Council analysis of: 1) the effectiveness of 100% observers, and 2) the cost to the trawl fleet.

In addition, we support further investigation of electronic monitoring, and how it could provide enhanced and improved observation.

Healthy harvesting and processing sectors

We support cooperative management as a mechanism to control bycatch. We recognize the need to end the race for fish.

Last year's trawl fishery closure as a result of bycatch exceeding PSC hard caps placed on a traditional non-rationalized fishery resulted in substantial losses to processors and their employees, fishermen and their crews, and support businesses. The continued race for fish could result in less than optimum harvest of the target groundfish species. The ideal is optimum yield, but with maximum participation. Also, fish coming across the dock in an orderly fashion would contribute to better product quality, and allow opportunities for adding value.

We believe that to maintain economic benefits to the community the regulatory structure must be efficient, and result in a functional fishery.

Program element: Salmon and/or halibut bycatch cap reduction

We agree that bycatch reduction is one of the goals of the program, and believe it should be based on good science. We encourage continuing government and industry research on bycatch species and innovations in bycatch avoidance technology. We also support the use of incentives for bycatch reduction, as well as penalties for not achieving goals.

Regarding Community Goal #2:

Program element: Regional and/or port delivery requirements based on historical landings.

As indicated above, we strongly support the inclusion in the program of regional (Kodiak Archipelago) and/or port delivery requirements based on historical landings, as one of the key provisions to maintain or increase target fishery landings and revenues.

The economic study commissioned by the community confirms the dependence of Kodiak on the harvesting and processing of groundfish (as well as other species). The community has made a large investment in physical infrastructure to support the seafood industry, and the water and electrical infrastructure is predicated on its continued use by the processing sector.

From page 3 of the study:

- Seafood processors use approximately one-third of all electricity and half of water consumed in the City of Kodiak and surrounding area.
- The Kodiak Electric Association has invested approximately \$60 million in its electrical generation and management systems in recent years.
- More than \$36.5 million was spent upgrading the City-owned Pier III. A new crane owned and contributed by Matson Inc. for \$10 million expanded the capacity of the facility, allowing it to handle larger vessels.
- The city-owned Kodiak Shipyard offers the largest Travelift in Alaska, a wash-down pad, electricity, and equipment rental. Costing approximately \$18 million, the facility has hauled about 50 vessels per year since it opened in 2009.
- \$11.6 million was spent upgrading the City-owned Monashka Bay Pump Station and Shelikof Street Lift Station.

Regarding Community Goals #3 and #7:

These community goals are closely related; consolidation of harvester ownership and use, and processing, is tied to employment levels in both sectors.

Program element: Harvester ownership and use caps

We believe that higher levels of harvester consolidation would mean fewer vessels, fewer crews, reduced need for support services and businesses, and would have negative effects on the community. The group supports caps on harvester ownership and use, but expects that continued analysis will be useful in determining what level of caps is appropriate.

From page 5 of the study:

- Including direct, indirect and induced impacts, commercial fishing accounted for annual equivalent of approximately 1,350 annualized jobs and \$88 million in labor income in the KIB (Kodiak Island Borough) in 2014. Economic output (total expenditures in the KIB) totaled \$156 million. This includes local economic impacts associated with the ex-vessel value of fish landed in the KIB, plus the economic impact of resident fishermen earning income from “external” fisheries such as the Bristol Bay salmon fishery.
- For every million pounds of groundfish landed in the KIB, \$270,000 in total labor income is generated.

We recognize the importance of independent fishermen, and the need for a mix of LLP and vessel ownership. The vitality of the community is based on the continued existence of small independent fishermen. We have concern that some harvesters may not be able to continue to operate with smaller amounts of quota and increased costs, and lower caps may negatively impact those fishermen.

We are also concerned about increasing numbers of vessels/LLP’s owned by processors, and what effects that pattern might have on the fishery and the community. We request more information in the analysis on processor ownership of LLP’s, and the effects of vertical consolidation.

Program element: Processing caps

We agree that more processor consolidation could mean fewer processing worker jobs, and reduced economic activity in the community. We are concerned that the current level of consolidation, in combination with processor automation, may already be having a negative effect on the processing workforce and the community economy.

From page 5 in the study:

- Seafood processing in the KIB accounted for a total of 2,370 annualized jobs and \$132 million in labor income in 2014, including all direct, indirect and induced effects.
- In total, in 2014 the seafood industry accounted for 3,920 jobs in the KIB, \$236 million in total annual labor income, and \$396 million in total output, including all multiplier effects.
- With seafood industry-related labor income totaling \$236 million, commercial fishing and seafood processing together accounted for about 30 percent of all personal income in the KIB economy in 2014 (directly or through multiplier effects).

The table on page 6 summarizes economic impacts from both harvesting and processing.

We support processing caps, but recognize that limiting consolidation too severely could force inefficiencies. The economic realities and efficiencies realized from consolidation must be balanced against the benefit to the community of retaining both vessels and processing facilities. We support further analysis of this balance.

We support further analysis on the economic effects of grandfathering in of those harvesters and processors with history above whatever caps are chosen.

Regarding Community Goal #4:

We support the goal of obtaining more value from the fish brought across the dock, specifically through value-added products made in local processing plants. While this is a worthwhile goal, the decision to process value-added products is an individual business decision and dependent on world markets and production costs.

The group supports government and industry research into value-added processing.

Regarding Community Goal #5:

We agree that entry opportunities are important to the sustained growth of the community and should be encouraged by program provisions; any alternative chosen should include entry as well as exit opportunities.

We recognize the concern that a catch share program for target species would add to the economic hurdle to gain entry to the fishery. Also, the concern that trawl fisheries in the Gulf, because of the already substantial capital needed to begin, may not ever be entry-level fisheries. We request continued analysis to determine how much the value of LLP's would increase as a result of a target species catch share program.

We support analysis of an additional concept of quota being held by a community trust, in order to facilitate new entrant opportunities, based on the need for community sustainability.

Such a concept may have the potential to stop the race for fish and accomplish the goal of bycatch reduction without a quota ownership program. Quota in a community trust could be managed and administered by the industry, with community and NMFS participation. Quota would not be subject to lease fees, and could be allocated to harvesters, both current and new. The quota could be allocated on a two or three-year basis for stability, and allocation could be based on historical catch levels, with a certain percentage reserved to facilitate new entry.

We would like the analysis to explore whether this concept might get over the hurdle of private ownership of a public resource that has been a major concern of the public and the non-trawl sector, while providing benefits to the community.

The analysis could also include the concept of access to the resource based on a set of criteria, including experience as a skipper or crewman, and dependence on Gulf fisheries.

We also support analysis of the lack of opportunities for outlying rural community residents to participate in a history-based quota program without having been able to build a history of participation.

Regarding Community Goal #6:

We support a management program having no barriers to the entry of new processors, because an adequate number of processors is needed for harvesting stability, and the number of processors in part determines the number of processing workers.

Regarding Community goal #9:

Maintaining the economic strength and vitality of Kodiak's working waterfront is an overall goal of the community. The consideration of any new program should include analyzing the impacts of new groundfish management action on other fisheries in Kodiak. Salmon fishing and processing is also very important to the community. Kodiak has a diverse and multi-species fishing industry, and all the fisheries are interdependent – which is both a benefit and a challenge.

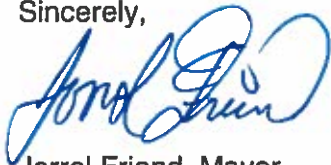
Regarding Community Goal #10:

We believe that any program should include optimum data collection to develop understanding of the impacts of a management program so adjustments can be made as needed. If the data mandated for collection is insufficient, change should be considered.

Thank you for your consideration of our comments and requests for additional analysis. We hope you enjoy your stay in Kodiak, and the activities planned for your visit. The community is anticipating this Council meeting will reinforce your understanding of the diversity of fisheries that are the lifeblood of Kodiak; we expect you will hear a wide range of opinions.

Finally, as community leaders representing the City of Kodiak and the Kodiak Island Borough, we remain focused on achieving the best for the whole community. We fully recognize that your decisions on Gulf Trawl Bycatch Management will have lasting, multi-generational impacts on our entire community.

Sincerely,



Jerrol Friend, Mayor
Kodiak Island Borough



Pat Branson, Mayor
City of Kodiak

Attached:

McDowell Economic Study
KIB and City Resolutions