

FISHERY MANAGEMENT PLAN AMENDMENT–SARDINE ALLOCATION

The Pacific Fishery Management Council (Council) will receive an update from the Coastal Pelagic Species Advisory Subpanel (CPSAS) about development of alternative management scenarios for allocation of the annual Pacific sardine harvest guideline. The Council will also receive a report from the Coastal Pelagic Species Management Team (CPSMT) about their review of several coastal pelagic species (CPS) fishery management plan (FMP)-related issues identified by National Marine Fisheries Service.

At the June 2004 meeting, the Council initiated an amendment (Amendment 11) to the CPS FMP. The primary purpose of the FMP amendment is to address allocation of the annual Pacific sardine harvest guideline. The FMP amendment is intended to ensure optimal utilization of the resource and equitably allocate harvest opportunity. The Council tasked the CPSAS with initial development of a range of allocation alternatives.

To enable implementation by January 2006, final Council action would need to occur no later than the June 2005 Council meeting. The tentative schedule is:

- June 2004 – initiation of FMP amendment
- September 2004 – progress report to Council
- November 2004 – review preliminary alternatives
- December 2004-January 2005 – public hearings on draft alternatives
- March 2005 – preliminary action
- June 2005 – final action

The CPSAS met August 3-4, 2004 to begin development of alternative allocation scenarios. Their report (Agendum I.3.b, CPSAS Report) details progress-to-date.

Secondly, in a May 18, 2004 letter to the Council, NMFS identified a suite of CPS-related issues that NMFS suggested could be addressed through amendment of the CPS FMP. These issues include FMP harvest control rules, compatibility between California's proposed market squid FMP and the Council's CPS FMP, market squid overfishing definitions, CPS FMP bycatch provisions and pilot at-sea observer program, essential fish habitat, and five-year review of the CPS FMP Environmental Impact Statement. The Council directed the CPSMT to formally review the CPS FMP issues raised by NMFS to identify issues that could be addressed through amendment of the CPS FMP and if the issues could be addressed in the short-term or would require more extensive time to complete.

The CPSMT met August 5, 2004 to formally review the FMP-related issues identified by NMFS. Their report (Agendum I.3.b, CPSMT Report) details their findings and recommendations.

Council Task:

Council guidance on development of an FMP amendment.

Reference Materials:

1. Agendum I.3.a, Attachment 1: May 18, 2004 NMFS letter.
2. Agendum I.3.b, CPSAS Report.
3. Agendum I.3.b, CPSMT Report.
4. Agendum I.3.c, Public Comment.

Agenda Order:

- a. Agendum Overview
- b. Reports and Comments of Advisory Bodies
- c. Public Comment
- d. Council Guidance on Development of an FMP Amendment

Dan Waldeck

PFMC
08/25/04



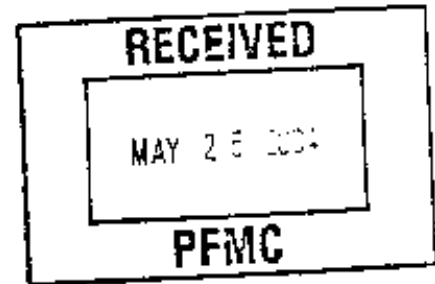
UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
NATIONAL MARINE FISHERIES SERVICE

Southwest Region
501 West Ocean Boulevard, Suite 4200
Long Beach, California 90802-4213

MAY 18 2004

F:SWR2:SF
1504-13-CPS-OB-010

Donald K. Hansen
Chairman
Pacific Fishery Management Council
7700 NE Ambassador Place, Suite 200
Portland, Oregon 97220-1384



Dear Mr. Hansen:

In preparation for the meeting of the Pacific Fishery Management Council (Council) in June, my staff and I have been giving some thought to the decisions the Council will need to make in coming months on the scope and timing of actions under the Coastal Pelagics Species Fishery Management Plan (FMP).

The Council has already decided that the sardine allocation process now in place has a fixed term; it is scheduled to end after the 2005 fishing year. I expect that the Council will affirm its intent to have the CPS management team analyze and evaluate the impacts and implications of extending the current system and of alternatives to the current system, considering both recent fishery information and any new information from recent research into the northern component of the sardine stocks. This is clearly the top priority for the team at this time.

However, I would ask that the Council also consider directing the team to look at some additional issues. First, I note that there will be a Stock Assessment Review Panel looking at the sardine and Pacific mackerel stock assessment methodologies and advising as to their scientific soundness and future use. In that context, I understand that an alternate stock assessment method for Pacific mackerel is being or has been developed. It may be that this would provide a basis for considering changes in the harvest guideline formula for Pacific mackerel or possibly even Pacific sardine. This might be considered in the next amendment.

Second, the Southwest Region (SWR) has received calls in recent months from California vessel owners expressing concern about the incompatibility of the State of California market squid limited entry program with the CPS finfish limited entry program under the FMP. I think both the management team and the advisors should take a fresh look at this issue and advise the Council if they believe that a change in the FMP would be a reasonable way to resolve any such issues. In addition, with respect to market squid, it appears that there is a need to address further the prospective use of the egg escapement value as a proxy for maximum sustainable yield and as a value for determining if the stock is overfished or is subject to overfishing (i.e., minimum stock size and maximum fishing mortality thresholds). Based on our most recent review for the annual National Marine Fisheries Service (NOAA Fisheries) Report to Congress on the status of

fish stocks, the current FMP language is ambiguous. I note in this context that NOAA Fisheries is considering amendments to the National Standard Guidelines, and any changes could affect the way in which this issue might be addressed. Nonetheless, it would be prudent to direct the team to consider this issue and to be prepared to advise the Council as to possible "fixes" once any changes to the guidelines have been proposed.


Third, as the SWR indicated in its March 2004 report to the Council, the FMP needs to be revised to address the bycatch provisions of the Magnuson-Stevens Fishery Conservation and Management Act more fully. The States of Oregon and Washington have had observers on vessels indicating there is not a bycatch problem to the north, but we have very little field information to the south. While port sampling suggests there is not a bycatch problem in the south, I believe that port sampling alone is insufficient to demonstrate with assurance that there is not a bycatch problem. Therefore, the SWR is planning to place observers on some CPS vessels operating out of Southern California in a pilot project intended to provide better information on the extent to which there is bycatch in the CPS fishery in that area. We would provide the results to the CPS management team to consider the need for additional field observations and possibly consider alternative ways to address any bycatch issues identified, as required by the Magnuson-Stevens Act.

Fourth, as indicated in a recent letter from Dr. William Hogarth, regional councils are being asked to review and assess the need for changes in essential fish habitat (EFH) designations under their fishery management plans. This would include the CPS FMP. It would seem prudent to have the team at least complete an initial reassessment in this next planning effort to determine if there are any major problems with the current EFH designations.

Having identified these additional issues for consideration, I also note that the last Environmental Impact Statement (EIS) for the CPS fisheries management program was prepared with Amendment 8, which established the CPS FMP. That occurred more than 5 years ago, and as you know, there have been major changes in the fishery since then. Therefore, I believe it is appropriate for the Council to initiate scoping to determine if a full EIS process is warranted for the next amendment to the CPS FMP. If scoping results in a conclusion to keep adjustment of the FMP to a moderate level, then an EIS may not be needed. However, only after scoping would the Council have a solid information base for that decision. If an EIS is warranted, then the SWR would do all we can to help design and carry out the process consistent with the principles and protocols of regulatory streamlining under the new Operational Guidelines.

In summary, I urge the Council to consider the full range of possible adjustments to the FMP and to engage in scoping to determine the scope of review and the manner in which to proceed. I appreciate all the hard work that goes into preparation of FMP amendments and associated documents, and look forward to working with the Council to assist in any way we can.

Sincerely,


for Rodney R. McInnis
Acting Regional Administrator

COASTAL PELAGIC SPECIES ADVISORY SUBPANEL REPORT ON FISHERY MANAGEMENT PLAN (FMP) AMENDMENT–SARDINE ALLOCATION

As directed by the Pacific Fishery Management Council (Council), the Coastal Pelagic Species Advisory Subpanel (CPSAS) met August 3-4, 2004 to begin development of management alternatives for annual allocation of the Pacific sardine harvest guideline (HG).

A set of overall objectives were agreed upon to guide development of the management alternatives. Based on these objectives, a suite of allocation “scenarios” were drafted. Each allocation scenario was then further specified into specific alternatives. Pros and cons of each allocation scenario were also developed to facilitate Council decision making.

Subsequent to the CPSAS meeting, industry representatives continued discussions within their respective sectors to inform them of the CPSAS draft work product, refine the alternatives, and begin narrowing the potential range of alternatives.

The following report lists the draft objectives, allocation scenarios, and specific alternatives. The CPSAS is seeking guidance from the Council to determine if the CPSAS is on the right track in terms of overarching objectives and the specific types of allocation scenarios. Following the September Council meeting, the CPSAS will meet to further refine the alternatives into a draft “reasonable range” of alternatives for Council consideration at the November 2004 Council meeting.

A principal concern over-riding development of a Pacific sardine allocation program is the fishery during the October - December period. California fishery participants would like access to a reasonable amount of fish during this period. However, Pacific Northwest fishery participants are concerned that if fish are “locked up” for the October - December period *and* if the California sector is unable to harvest this amount, then a portion of the harvest guideline could be “left on the table.” A second major concern is that during low stock biomass periods a portion of the harvest guideline (HG) will be “locked up” in a Pacific Northwest allocation, and could go unharvested because the fish are no longer in northern waters and available to the Pacific Northwest fishery.

Objectives for Allocation Program

- Strive for simplicity and flexibility in developing an allocation scheme.
- Transfer quota as needed.
- Utilize optimum yield.
- Implement a plan that balances maximizing value and historic dependence on sardine.
- Implement a plan that shares the pain equally at reduced HG levels.

Summary of Alternative Scenarios

The following table summarizes several alternative scenarios, provides a description of how the scenario would operate, and pros and cons.

| Scenario | Description | Pros | Cons |
|--------------------------------------|---|--|--|
| Status quo | Extends the interim allocation framework. Subarea line at Pt. Arena; Jan 1 allocation 66:33 S/N; Sept 1 reallocation 80:20 S/N; Dec 1 coastwide. | <ul style="list-style-type: none"> Identifies PNW fishery as independent sector and provides specific allocation. Simple system. Provides for reallocation of unused fish at right time. Provides for Dec 1 mop up fishery. | <ul style="list-style-type: none"> Leaves fish on table (at high HG). Too rigid, can't adapt to year-to-year variation nor react to need for inseason changes. |
| No action | If Council took no action, the interim allocation would expire and the allocation framework would revert back to the original FMP formula. Subarea line at Pt. Piedras Blancas; Jan 1 allocation 66:33 S/N; Oct 1 reallocation 50:50 S/N. | <ul style="list-style-type: none"> Best suited to a CA only fishery, performs well at allocating between Nor CA and So CA, but doesn't acct for PNW fishery. Doesn't provide for expanding PNW fishery (pro for CA). | <ul style="list-style-type: none"> In some years, sectors pre-empted. Leaves fish on table (at high HG). Too rigid, can't adapt to year-to-year variation nor react to need for inseason changes. Doesn't provide for expanding PNW fishery (con for PNW). |
| Coastwide HG, w/ seasonal allocation | Periodic/seasonal allocation of fixed amount of the HG, ^{1/} rollover of remaining HG to next period. No subarea allocation. | <ul style="list-style-type: none"> Provides for potentially equitable distribution, thru-out the year, for each sector. Simple, easy to administer. Improves ability to achieve HG. Aims to provide proper amount for each sector when they need it. | <ul style="list-style-type: none"> Fixed dates are inflexible and could prevent transfer of fish to other sectors on as needed basis. Increased potential for locking fish into one sector, disadvantaging other sectors. If quota decreases or market demand increases, PNW could be preempted. No explicit PNW allocation. |

1/ Note – monthly allocation (with rollover) could create large administrative burden. Three-period structure appears easier to administer (Jan-Jun, Jul-Sep, Oct-Dec).

| Scenario | Description | Pros | Cons |
|---------------------------------------|---|--|---|
| Area-based allocation of HG | HG allocated to specific subareas. Periodic reallocation of unused HG. Mop up fishery at end of year. | <ul style="list-style-type: none"> Equally divides HG to CA and PNW. Provides for timely and flexible transfer of HG between areas. Allocates the pain of a lower HG equally between sectors. | <ul style="list-style-type: none"> No incentive for PNW to limit expansion. Exacerbates race to fish and inter-sectoral preemption. |
| “Historical” allocation of HG | Each year sectoral allocation would be based on each sector’s harvest the previous year. | <ul style="list-style-type: none"> Relies upon most recent history (previous season) for allocating the next year. | <ul style="list-style-type: none"> Penalizes sector for having a bad season the previous year and assumes the previous year's conditions will continue in next year. Administrative burden. |
| Coastwide HG with Sept 1 Season Start | No sub-area allocation. | <ul style="list-style-type: none"> Flexible way of using HG (when HG > 100,000 mt). Very simple. | <ul style="list-style-type: none"> Could preempt PNW (when HG < 100,000 mt). |
| Coastwide HG with June 1 Season Start | No sub-area allocation. | <ul style="list-style-type: none"> Flexible way of using HG (when HG > 100,000 mt). Very simple. | <ul style="list-style-type: none"> Could preempt CA (when HG < 100,000 mt). |
| Set Aside Plan | A portion of the HG is “set aside” (e.g., held in trust by NMFS) for distribution on as needed basis. | <ul style="list-style-type: none"> Protects limited entry fleet. Prevents premature closure of sector. | <ul style="list-style-type: none"> Potentially leaves fish on the table. Administrative burden. Unequal allocation between sectors. |

Allocation Scenarios and Variations on the Theme

The following narratives describe each allocation scenario developed by the CPSAS and variations on each basic scenario. As noted previously, the overarching scenarios were developed by the CPSAS, specific variations were developed by the CPSAS, and (after the CPSAS meeting) by the fishery sectors. All of the alternatives are presented to demonstrate the full range of potential alternatives. Prior to the November 2004 Council meeting, the CPSAS will meet to work on focusing this broad range into a “reasonable range” of alternatives.

Status quo

- Subarea line at Pt. Arena. Allocation January 1 66% to the South (So CA and Nor CA), 33% to the North (PNW); reallocation on September 1 80% to the South, 20% to the North; remaining HG open coastwide December 1.

No action

- Subarea line at Pt. Piedras Blancas; allocation January 1 66% to the South (So CA), 33% to the North (Nor CA and PNW); reallocation on October 1 50:50.

Coastwide HG, w/ seasonal allocation – Seasonal release of HG coastwide. Unused HG automatically rolls into next seasonal release.

- January-June 40%; July-September 40% + rollover; October-December 20% + rollover.
- If HG < 100,000 mt – January-June 40%; July-September 35% + rollover; October-December 25% + rollover.
- January-June 50%; July-December 50%.
- January-June 45%; July-August 45%; September-December 10%.
- Change season start date to December 1. December-May 50%; June-November 50%.
- January-June 35% coastwide; July-September 50% + prior unused allocated (40% to PNW, 10% to CA); October-December 15% + prior unused allocated coastwide.

Area-based allocation – Subareas at Pt. Arena, South is So CA and Nor CA, North is PNW.

- January 1 season start, 50% to South and 50% to North. If and when the Northern region catches its quota, Southern area uncaught quota (less a hold back equal to 120% of the Southern regions prior year’s October, November, and December catch) would be made available on that date as a coastwide quota.

- January 1 season start, 40% to South (January 1), 40% to North (June 1-September 30), 20% of HG (plus remainder from January 1-September, both areas) for use coastwide (October 1-December 31). Prior to September 30, the southern fishery could not exceed their 40% allocation.
- January 1 season start, 30% of HG available coastwide January-June, 40% of HG to North, 10% (plus remainder of January-June amount) allocated to South July-September, coastwide October 1.
- October 1 season start, 45% to South (on October 1), 45% to North (on June 1), 10% set aside (for use by whomever uses their sectoral allocation first), August 1 all remaining HG pooled and available coastwide.
- October 1 or December 1 season start (depends on size of HG), 20% of HG available coastwide at start of season through December 31, 40% of HG to South (on January 1), 40% of HG to North (on June 1), August 1 remaining HG available coastwide. Under this scenario the southern fishery would be open year round, as long as their HG allocation was available. The northern fishery would be closed January 1 - May 31.

If the HG > 90,000 mt – October 1 season start.

If the HG < 90,000 mt – December 1 season start.

“Historical” allocation – Subareas at Pt. Arena, South is So CA and Nor CA, North is PNW.

- Each year sectoral allocation would be based on each sector’s harvest the previous year.

Coastwide HG with September 1 Season Start

- Season start changed to September 1, coastwide HG, no seasonal or subarea allocations.

Coastwide HG with June 1 Season Start

- Season start changed to June 1, coastwide HG, no seasonal or subarea allocations.

Set Aside Plan – Subareas at Pt. Arena, South is So CA and Nor CA, North is PNW.

- If HG > 100,000 mt – 10,000 mt set aside, remaining HG allocated 60% to South, 40% to North (on January 1); remaining HG available coastwide on September 1. Set aside to be used by sector that will run out of HG (triggered when sector has achieved 90% of its allocation).
- If HG is < 100,000 mt – no set aside, 60% to South, 40% to North (on January 1); remaining HG available coastwide on October 1.

Variations on Status quo – Subareas at Pt. Arena, South is So CA and Nor CA, North is PNW.

- If $HG > 100,000$ mt – 60% to South, 40% to North (on January 1), reallocation 60 % to South, 40% to North (on September 1), coastwide on November 1.
- If $HG > 100,000$ mt – 66% to South, 33% to North (on January 1), reallocation 80 % to South, 20% to North (on September 1), coastwide on November 1.
- If $HG < 100,000$ mt – 66% to South, 33% to North (on January 1), coastwide on October 1.

COASTAL PELAGIC SPECIES MANAGEMENT TEAM REPORT ON
FISHERY MANAGEMENT PLAN AMENDMENT ISSUES—SARDINE ALLOCATION

The Coastal Pelagic Species Management Team (CPSMT) reviewed a letter to the Pacific Fishery Management Council (Council) from Mr. Rod McInnis, National Marine Fisheries Service (NMFS)-Southwest Region. The CPSMT reviewed the issues raised in the letter to provide information to the Council for a response to NMFS. The issues were evaluated in terms of their validity, time and resources necessary to complete the task, priority level relative to other coastal pelagic species (CPS) fishery management plan (FMP) workload, and potential schedule for when the issue could be addressed.

The CPSMT considers developing a long-term allocation formula for the Pacific sardine fishery to be the highest priority FMP-related issue. The CPSMT supports the Council's assignment of the development of alternative allocation formulae to the Coastal Pelagic Species Advisory Subpanel (CPSAS). Once a range of alternatives is developed, the CPSMT will analyze the alternatives to provide information for Council decision making; keeping in mind that, as stated previously, the CPSMT strongly advises that at the onset, the CPSAS must develop general consensus regarding the preferred allocation alternative.

In their May 18, 2004 letter, NMFS identified the following issues: harvest guideline formulae for Pacific mackerel and Pacific sardine; consistency of California's proposed market squid FMP, with the federal CPS FMP; reasonable maximum sustainable yield (MSY) proxies based on the egg escapement method for market squid; bycatch accounting; CPS essential fish habitat; and a five-year review of the CPS FMP.

Harvest Guideline Formulae – NMFS states that the recent CPS stock assessment review process could “provide a basis for considering changes in the harvest guideline formula for Pacific mackerel or... Pacific sardine.”

CPSMT response:

As discussed under Agenda Item I.2, review of the harvest guideline formulae is a valid issue for both Pacific mackerel and Pacific sardine.

Comprehensive review of the harvest guideline formulae would require approximately one year to complete via a formal research project. Specific information would include: population biomass, biomass/sea surface temperature relationship, stock distribution (U.S. waters versus Mexico and Canada), stock structure, and the cut-off value (a hedge against overfishing, currently 150,000 mt). The project could result in a new or modified stock structure hypothesis.

Relative to the other issues in the May 18 letter, this is a mid-level priority, however, as noted previously it would be a major project.

The earliest this research project could be started is June 2005. It would take at least two years to complete the research, amend the FMP, and implement through the federal rule-making process.

California's Market Squid FMP – NMFS notes industry concern “about the incompatibility of the State of California market squid limited entry program with the CPS finfish limited entry program under the [CPS] FMP.”

CPSMT response:

The CPSMT discussed the Market Squid FMP, with California Department of Fish and Game (CDFG) staff. The CPSMT does not consider this a valid concern, CDFG developed the state FMP in accord with the federal FMP.

The California Fish and Game Commission is scheduled to adopt the Market Squid FMP (MSFMP) on August 27, 2004, including a restricted access program. Once the Commission decides on the specifics of the MSFMP, the program will be implemented in the squid fishery season starting April 1, 2005. In developing a restricted access program, the CDFG used the criteria set forth in the federal FMP to support its recommendation of a “moderately productive and specialized” fleet capacity goal of 52 round-haul vessels, 34 light boats, and 18 brail boats. These goals are within the range of the number of vessels actively participating in the fishery in a given year and maintains a ratio of one round haul vessel to one vessel attracting squid (both light boats and brail boats) currently observed in the fleet. The recommendations include establishing limited entry permit criteria based on prior catch or fishing history and provide for full transferability of vessel permits only between vessels of comparable capacity.

Market Squid Egg Escapement MSY Proxy – NMFS notes “that [it appears] there is a need to address further the prospective use of the egg escapement value for determining if the stock is overfished or is subject to overfishing.”

CPSMT response:

The CPSMT perceives this issue to be about ensuring the egg escapement MSY proxy provides information for managing the fishery and monitoring stock status. It is a valid issue, but is currently being addressed.

As reported in the June 2004 CPS Stock Assessment and Fishery Evaluation (SAFE) document, there is a coordinated program (CDFG and NMFS) to develop a systematic approach to evaluate stock status and manage the squid fishery. The program includes port sampling of market squid landings, analysis of biological information, development of a systematic (spatially and temporally) assessment schedule, simulation modeling, and incorporation of the results into state and federal management processes. Other components being developed include a range of “*F*” rates, which would provide management targets to prevent overfishing and further understanding of appropriate biological reference points for monitoring status of this species. The full program should be up and running by fall 2005, initial results could be available in spring 2005. It would be prudent to plan for Scientific and Statistical Committee review during 2005.

Information from this coordinated program would be used by CDFG for inseason management, by Council in the SAFE report, and by NMFS in the status of stocks report

The CPSMT also considered market squid relative to NMFS proposed revisions to National Standard 1 guidelines. The CPSMT considers market squid to have unique management needs that do not fit well with the current National Standard 1 guidelines. Moreover, the CPSMT cautions against forcing market squid management to conform to guidelines designed for finfish, i.e., species with very different life history characteristics.

Bycatch – “the FMP needs to be revised to address bycatch provisions of the Magnuson-Stevens Fishery Conservation and Management Act more fully.”

CPSMT response:

The CPSMT considers this a valid, but limited, concern.

The CPSMT notes that Amendment 9 to the CPS FMP documented methods being used to monitor and minimize bycatch in CPS fisheries. The June 2004 SAFE document reports the most recent data on bycatch. Both of these sources indicate bycatch in CPS fisheries to be minimal. This finding is based on incidental catch reports from port samples of the California fishery; and port samples, logbooks, and at-sea observer data from Pacific Northwest fisheries. More recently, NMFS has initiated a pilot program for at-sea observers aboard California-based CPS fishing vessels. The CPS FMP authorizes NMFS to require at-sea observers in the CPS fishery. NMFS has indicated their intent is to evaluate the pilot project to determine if at-sea observers are warranted for the California fishery. The CPSMT fully supports the NMFS initiative and will assist and advise as necessary.

If there are specific bycatch concerns that are not being addressed nor reported in the CPS SAFE document, the CPSMT requests information from NMFS to identify these specific areas of concern.

Beyond, but related to, the bycatch issue, the CPSMT is concerned that underreporting of CPS on fishtickets could be occurring. If this is the case, fishery management and stock assessments could be effected. The CPSMT recommends the Council request the Enforcement Consultants to evaluate this issue. For example, a review of enforcement records could be undertaken to evaluate if underreporting has been detected, how frequent it has occurred, what is the violation rate, have citations been issued, etc.

Essential Fish Habitat (EFH) – NMFS requested the Council “complete an initial reassessment... to determine if there are any major problems with the current EFH designations.”

CPSMT response:

The CPSMT does not consider this to be a valid concern.

The CPSMT reviewed CPS EFH information in the June 2004 SAFE document and the CPS FMP. The information in these sources is complete and accurate. The CPSMT is not aware of new information that could warrant modification of the current EFH designations. Moreover, there appears to be no evidence to support development of static definitions of CPS EFH as opposed to the current dynamic definition. That is, CPS EFH is linked to ocean temperatures, which shift temporally and spatially, providing a “dynamic” definition of EFH.

If NMFS has other information that would indicate changes to CPS EFH definitions are warranted, the CPSMT will review this information for the Council.

Environmental Impact Statement – NMFS “believe[s] it is appropriate for the Council to initiate scoping to determine if a full EIS process is warranted for the next amendment to the CPS FMP.”

CPSMT response:

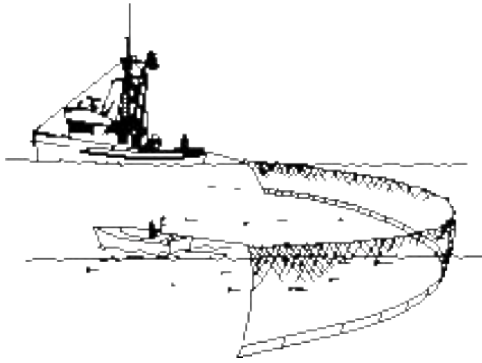
The CPSMT considers this somewhat valid and notes the FMP amendment to address sardine allocation will entail development of an EIS. NMFS also notes “there have been major changes in the fishery” since the FMP was implemented in 1999. The only “major change” the CPSMT is aware of is the expansion of the Pacific Northwest sardine fishery that has occurred since 2000, which will be the subject of review under the sardine allocation FMP amendment.

The CPSMT is not aware of evidence that a comprehensive review of the FMP is warranted. If NMFS believes a full programmatic FMP EIS for CPS (analogous to groundfish) is needed, the CPSMT suggests it would take at least two years to develop a programmatic EIS.

In summary, the CPSMT considers sardine allocation to be the top priority. The harvest guideline formulae could be reviewed, but not in the current FMP amendment. It would take at least two years to perform the research and implement changes (if necessary) to the harvest guideline formulae. Concern about compatibility between the California market squid FMP and the federal CPS FMP is unwarranted. A program to fully implement the egg escapement MSY proxy approach is underway and should be ready for use in state and federal management in 2005. From current data, bycatch in the CPS fishery does not appear a serious concern. The CPSMT will work with NMFS as they complete their pilot observer program. The CPS EFH designations appear appropriate. A program-level EIS for the CPS FMP would take at least two years to complete. The current FMP amendment to address sardine allocation will, most likely, be analyzed in an EIS.

Finally, the CPSMT recommends the Council request the Enforcement Consultants to evaluate underreporting of CPS on fishtickets. For example, a review of enforcement records could be undertaken to evaluate if underreporting has been detected, how frequent it has occurred, what is the violation rate, have citations been issued, etc.

PFMC
08/24/04



CALIFORNIA WETFISH PRODUCERS ASSOCIATION

Representing California's Historic Fishery

August 24, 2004

Mr. Don Hansen, Chair &
Dr. Don McIsaac, Executive Director
Pacific Fishery Management Council
7700 NE Ambassador Place #200
Portland OR 97220-1384

RE: Agenda Item 1.3.c – CPS FMP Amendment – Sardine Allocation

Dear Chairman Hansen, Dr. McIsaac and Council members,

The California Wetfish Producers Association (CWPA) represents the major sardine processors in both Monterey and southern California, along with fishermen from both regions. We very much appreciate this opportunity to address the Council on the issue of long-term sardine allocation, expanding on the CPSAS report.

As the CPSAS report noted, industry representatives have engaged in extensive discussions to date, including inter-regional communications. CWPA is committed to continue working toward a suite of reasonable alternatives to present to the Council, following the objectives that resulted from initial ad hoc meetings between Pacific Northwest and California industry representatives.

A note on the objectives as stated:

Both northern and southern reps. agreed to strive for a flexible allocation plan that fosters full use of optimum yield, if possible.

Both regions also acknowledged that the plan should protect CA's historic dependence on sardine while providing the OR/WA fishery with increased fishing opportunity when stock(s) are abundant in the north. However, re: "sharing the pain equally" at reduced HG levels, the regions do not agree on the meaning of the word "equal". PNW representatives are now advocating 50:50 allocation, even in low quota years, which would clearly pre-empt the federally permitted limited-entry fishery in CA to foster increased harvest in the "open access" area.

In light of oceanic and resource changes observed in the northern fishery, documented by observers on the grounds as well as the 2004 summer sardine field survey, the possibility exists that sardines will be less abundant or absent from northern waters coinciding with a reduction in the biomass and HG. It is also likely that no "one size fits all" allocation formula can equitably address both high-quota and low-quota situations. For that reason, we propose that the Council consider the need to adopt a framework that provides for different allocation formulas for HGs above and below a pre-defined level – for example, 100,000 tons. We further suggest that any "long-term" allocation scheme adopted by the Council be reviewed and, if necessary, adjusted after two years.

PO Box 1951

Buellton, CA 93427

Phone: 805-693-5430

Fax: 805-686-9312

Email: dplesch@earthlink.net

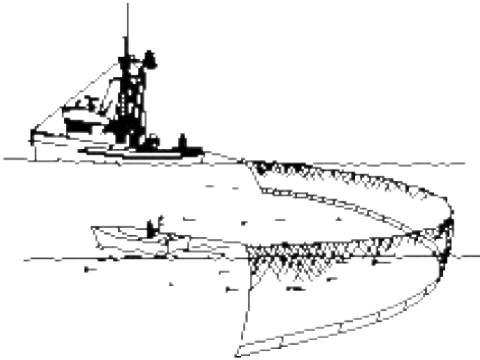
At this time we would like to share with the Council the initial ideas, discussion and analysis that we submitted to Council staff following the recent CPSAS meeting, much of which was included generically in the CPSAS report.

We very much appreciate the Council's consideration of this information.
Thank you very much for your attention.

Sincerely,

Diane Pleschner-Steele
Executive Director

cc: Rod McInnis
Dan Waldeck



CALIFORNIA WETFISH PRODUCERS ASSOCIATION

Representing California's Historic Fishery

SUGGESTED OPTIONS FOR LONG TERM SARDINE ALLOCATION from CA SARDINE INDUSTRY

In an effort to narrow and refine the number of options for long-term sardine allocation, members of California's sardine / wetfish processing industry met in San Pedro on August 13 to consider recommendations from CA.

The objective of this exercise was to accomplish the following:

- [a] design a more flexible framework to achieve optimum yield when the harvest guideline is above 100,000 tons,
- [b] protect California's historic, federally permitted limited entry fishery from premature closure during its peak fall-winter season when the harvest guideline falls below @100,000 tons.
- [c] provide equitable fishing opportunity for the emerging fishery in OR/WA while fish remain available in the north.
- [d] avoid "locking up" quota in the north when sardines disappear from northern waters, ostensibly at lower quota levels.

CA wetfish industry emphasizes the need to review any long-term option selected by the Council within two years and make adjustments as needed to reflect status of resource and fishing trends.

Notes:

[a] A member of the sardine STAT responsible for developing sardine biomass estimates and harvest guidelines makes a compelling argument in favor of retaining the January 1 season start date: to utilize current season field and fishery data to develop biomass estimate and HG. Any alteration to the season start date (e.g. September season opening or June season opening) would necessitate using prior year data. In light of the changes apparent in the resource, CA industry members agree with and prefer the use of current year data to develop biomass and HG, thus all options suggested by CA begin January 1.

[b] However, a January 1 start date potentially penalizes CA's limited entry fishery if quota is "used up" by the emerging sardine fishery in the PNW prior to CA's peak season, which begins in September and continues through December and on into March of the following year. To avoid premature shut-down in November or December, it is critical to provide adequate HG in the period Oct-Dec. CA has demonstrated use of $\pm 22,000$ tons in the period Sep-Dec. over the past seven years.

The options provided below are **not** listed in order of preference at this time:

1. Area allocation

Above 100,000 tons

[a] Status quo (interim allocation):

33% allocated to N, 66% allocated to CA effective January 1.

Reallocation of all unused HG 20% N, 80% S effective September 1.

Reallocate all unused coast-wide effective November 1.

[b] Modified status quo: N = PNW; S = CA. Season begins January 1.

40% allocated to N, 60% allocated to CA effective January 1.

Reallocation of all unused HG 40% N, 60% S effective September 1.

Reallocate all unused coast-wide effective November 1.

Below 100,000 tons

[c] Status quo (interim allocation) with no reallocation Sept. 1

33% allocated to N, 66% allocated to CA effective January 1.

Reallocate coast-wide October 1.

2. Seasonal allocation

Above 100,000 tons

[a] 40% allocated coast-wide January 1 for period Jan – June 30

Unused HG automatically rolls into next seasonal release

40% + prior unused allocated coast-wide July 1 for period Jul – Sep 30

20% + prior unused allocated coast-wide Oct 1 for period Oct-Dec

[b] 35% allocated coast-wide January 1 for period Jan – June 30

Unused HG automatically rolls into next seasonal release

50% + prior unused allocated July 1 40% to PNW, 10% to CA for period Jul – Sep 30

15% + prior unused allocated coast-wide October 1 for period Oct – Dec 31

Below 100,000 tons (at reduced quota, assuming fish are largely unavailable in PNW)

[c] 40% allocated coast-wide January 1 for period Jan – June 30

Unused HG automatically rolls into next seasonal release

35% + prior unused allocated coast-wide July 1 for period Jul – Sep 30

25% + prior unused allocated coast-wide Oct 1 for period Oct – Dec 31

[1b]

MODIFIED STATUS QUO ALLOCATION BY AREA >100,000 TONS

Jan I season open - 60% South, 40% North

Reallocate September I 60 S / 40 N, Coast-wide I I / I

| 110,000 TONS | PNW | CA |
|---------------------|--------|--------|
| Month | 44,000 | 66,000 |
| Jan | 0 | 9,026 |
| Feb | 0 | 7,496 |
| Mar | 0 | 6,665 |
| Apr | 0 | 4,543 |
| May | 0 | 2,780 |
| Jun | 3,136 | 1,273 |
| Jul | 12,117 | 2,652 |
| Aug | 15,617 | 5,277 |
| SubT | 30,870 | 39,712 |
| Bal Unused 9/1 | 13,130 | 26,288 |
| Reallocate | 15,767 | 23,651 |
| Sep | 10,818 | 4,646 |
| Oct | 1,350 | 8,146 |
| SubT | 3,599 | 10,859 |
| Nov | 0 | 4,892 |
| Dec | 0 | 4,321 |
| Total Used | 43,038 | 61,717 |
| *Net Bal. | 3,599 | 1,646 |

* Assume PNW balance harvested

[1a & 1c]

STATUS QUO ALLOCATION BY AREA <100,000 TONS

Jan I season open - 66% South, 33% North

Reallocate September I 80 S / 20 N, Coastwide I I / I I

| 90,000 TONS | PNW | CA | CA w/ No Sept. |
|--------------------|--------|--------|-----------------------|
| Month | 29,700 | 59,400 | Reallocation |
| Jan | 0 | 9,026 | 9,026 |
| Feb | 0 | 7,496 | 7,496 |
| Mar | 0 | 6,665 | 6,665 |
| Apr | 0 | 4,543 | 4,543 |
| May | 0 | 2,780 | 2,780 |
| Jun | 3,136 | 1,273 | 1,273 |
| Jul | 12,117 | 2,652 | 2,652 |
| Aug | 15,617 | 5,277 | 5,277 |
| SubT | 30,870 | 39,712 | 39,712 |
| Bal Unused 9/1 | -1,170 | 19,688 | |
| Reallocate | 3,938 | 15,750 | No reallocation |
| Sep | 10,818 | 4,646 | 4,646 |
| Oct | 1,350 | 8,146 | 8,146 |
| SubT | -8,230 | 2,958 | |
| Nov | | -1,934 | 4,892 |
| Dec | | -4,321 | 4,321 |
| Total | | | 61,717 |

[2a]

| 40/40/20% RELEASE OF HARVEST GUIDELINE (MT) + ROLLOVER | | | | | |
|---|----------|-----------|------------|-------------|-------------|
| CA Average+ | | | | | |
| H.GUIDELINE | 123,000 | 110,900 | 100,000.00 | 80,000 | 60,000 |
| Jan Rel. @40% | 49,200 | 44,360 | 40,000 | 32,000 | 24,000 |
| CA Av+ Jan-Jun | -31,783 | -31,783 | -31,783 | -31,783 | -31,783 |
| PNW Jun (JT) | -3,136 | -3,136 | -3,136 | -3,136 | -3,136 |
| | Rollover | Roll over | Roll over | No rollover | No rollover |
| Unused | 14,281 | 9,441 | 5,081 | -2,919 | -10,919 |
| Jul @40% + RO | 63,481 | 53,801 | 45,081 | 32,000 | 24,000 |
| CA Av+ Jul-Sep | -12,575 | -12,575 | -12,575 | -12,575 | -12,575 |
| Available for Harvest | 50,906 | 41,226 | 32,506 | 19,425 | 11,425 |
| Oct Rel. @20% | 24,600 | 22,180 | 20,000 | 16,000 | 12,000 |
| CA Av+ Oct-Dec | -17,369 | -17,369 | -17,369 | -17,369 | -17,369 |
| PNW Oct. Est. | -1,350 | -1,350 | -1,350 | -1,350 | -1,350 |
| Remaining OY | 5,881 | 3,461 | 1,281 | -2,719 | -6,719 |

[2b]

35/50/15 SEASONAL RELEASE OF HARVEST GUIDELINE (MT) + ROLLOVER >100,000 TONS

(40/40/20 RELEASE < 100,000* tons)

| H.GUIDELINE | 123,000 | 110,900 | 100,000.00 | H.GUIDELINE | 90,000 | 80,000 | 70,000 | 60,000 |
|---------------------|---------|---------|------------|----------------|---------|---------|---------|---------|
| Jan Rel. @35% | 43,050 | 38,815 | 35,000 | Jan Rel. @40% | 36,000 | 32,000 | 28,000 | 24,000 |
| CA Av+ Jan-Jun | -31,783 | -31,783 | -31,783 | CA Av+ Jan-Jun | -31,783 | -31,783 | -31,783 | -31,783 |
| PNW Jun (JT) | -3,136 | -3,136 | -3,136 | PNW Jun (JT) | -3,136 | -3,136 | -3,136 | -3,136 |
| Total Used | -34,919 | -34,919 | -34,919 | Total Used | -34,919 | -34,919 | -34,919 | -34,919 |
| Avail for harvest | 8,131 | 3,896 | 81 | Balance | 1,081 | -2,919 | -6,919 | -10,919 |
| Jul @50% + Rollover | 69,631 | 59,346 | 50,081 | Jul @40% + RO | 37,081 | 32,000 | 28,000 | 24,000 |
| CA Av+ Jul-Sep | -12,575 | -12,575 | -12,575 | CA Av+ Jul-Sep | -12,575 | -12,575 | -12,575 | -12,575 |
| PNW Jul-Sep | -38,552 | -38,552 | -38,552 | HG Available | 24,506 | 19,425 | 15,425 | 11,425 |
| Total Used | -51,127 | -51,127 | -51,127 | | | | | |
| Avail for harvest | 18,504 | 8,219 | -1,046.00 | | | | | |
| Oct Rel. @15% | 18,450 | 16,635 | 15,000 | Oct Rel. @20% | 18,000 | 16,000 | 14,000 | 12,000 |
| CA Av+ Oct-Dec | -17,369 | -17,369 | -17,369 | CA Av+ Oct-Dec | -17,369 | -17,369 | -17,369 | -17,369 |
| PNW Oct. Est. | -1,350 | -1,350 | -1,350 | PNW Oct. Est. | -1,350 | -1,350 | -1,350 | -1,350 |
| Remaining OY | -269 | -2,084 | -3,719 | Remaining OY | -719 | -2,719 | -4,719 | -6,719 |

[2c]

35/50/15 SEASONAL RELEASE OF HARVEST GUIDELINE (MT) + ROLLOVER >100,000 TONS

(40/35/25 RELEASE < 100,000* tons)

| H.GUIDELINE | 123,000 | 110,900 | 100,000.00 | H.GUIDELINE | 90,000 | 80,000 | 70,000 | 60,000 |
|---------------------|---------|---------|------------|----------------|---------|---------|---------|---------|
| Jan Rel. @35% | 43,050 | 38,815 | 35,000 | Jan Rel. @40% | 36,000 | 32,000 | 28,000 | 24,000 |
| CA Av+ Jan-Jun | -31,783 | -31,783 | -31,783 | CA Av+ Jan-Jun | -31,783 | -31,783 | -31,783 | -31,783 |
| PNW Jun (JT) | -3,136 | -3,136 | -3,136 | PNW Jun (JT) | -3,136 | -3,136 | -3,136 | -3,136 |
| Total Used | -34,919 | -34,919 | -34,919 | Total Used | -34,919 | -34,919 | -34,919 | -34,919 |
| Avail for harvest | 8,131 | 3,896 | 81 | Balance | 1,081 | -2,919 | -6,919 | -10,919 |
| Jul @50% + Rollover | 69,631 | 59,346 | 50,081 | Jul @35% + RO | 32,581 | 28,000 | 24,500 | 21,000 |
| CA Av+ Jul-Sep | -12,575 | -12,575 | -12,575 | CA Av+ Jul-Sep | -12,575 | -12,575 | -12,575 | -12,575 |
| PNW Jul-Sep | -38,552 | -38,552 | -38,552 | HG Available | 20,006 | 15,425 | 11,925 | 8,425 |
| Total Used | -51,127 | -51,127 | -51,127 | | | | | |
| Avail for harvest | 18,504 | 8,219 | -1,046.00 | | | | | |
| Oct Rel. @15% | 18,450 | 16,635 | 15,000 | Oct Rel. @25% | 22,500 | 20,000 | 17,500 | 15,000 |
| CA Av+ Oct-Dec | -17,369 | -17,369 | -17,369 | CA Av+ Oct-Dec | -17,369 | -17,369 | -17,369 | -17,369 |
| PNW Oct. Est. | -1,350 | -1,350 | -1,350 | PNW Oct. Est. | -1,350 | -1,350 | -1,350 | -1,350 |
| Remaining OY | -269 | -2,084 | -3,719 | Remaining OY | 3,781 | 1,281 | -1,219 | -3,719 |

Basis for analysis of allocation options

Source: DFG - CPS monthly landings tables for CA

Jerry Thon spreadsheet – highest monthly landings in last 3 yrs for WA

| JT PNW HIGH 2000-2003 | 1997-2003 | CA SEASONAL USAGE | | | 7 YR + HIGH AVERAGE ++ | JT 3-YR HIGH + AVERAGE / 2 AVERAGE + | JT CA 3 YR HIGH |
|-----------------------------|------------|-------------------|-----------|----------|---------------------------|--|-----------------------|
| | | 7 YR.AV. | HIGHEST | LOWEST | | | |
| 0 | Jan | 6,974.90 | 12,101.62 | 1,921.62 | 9,538 | 9,026 | 11,076 |
| 0 | Feb | 6,202.65 | 9,398.14 | 2,466.76 | 7,800 | 7,496 | 8,789 |
| 0 | Mar | 6,569.74 | 10,908.44 | 2,597.89 | 8,739 | 6,665 | 6,760 |
| 0 | Apr | 3,877.07 | 8,195.22 | 1,432.90 | 6,036 | 4,543 | 5,209 |
| 0 | May | 2,016.50 | 3,443.28 | 714.72 | 2,730 | 2,780 | 3,543 |
| 3,136 | Jun | 795.31 | 1,751.15 | 102.99 | 1,273 | 1,273 | 1,751 |
| 3,136 | Jan-Jun ST | 26,436.17 | 45,797.85 | 9,236.88 | 36,117 | 31,783 | 37,128 |
| 12,117 | Jul | 1,955.46 | 3,718.94 | 154.67 | 2,837 | 2,652 | 3,349 |
| 15,617 | Aug | 3,100.05 | 7,455.61 | 306.66 | 5,278 | 5,277 | 7,454 |
| 10,818 | Sep | 4,282.66 | 6,151.42 | 1,581.42 | 5,217 | 4,646 | 5,008 |
| 38,552 | Jul-Sep ST | 9,338.17 | 17,325.97 | 2,042.75 | 13,332 | 12,575 | 15,811 |
| 1,350 | Oct | 6,856.21 | 12,602.92 | 4,276.91 | 9,730 | 8,146 | 9,435 |
| 0 | Nov | 4,194.47 | 7,423.66 | 1,058.00 | 5,809 | 4,902 | 5,589 |
| 0 | Dec | 4,632.31 | 7,684.92 | 2,009.09 | 6,159 | 4,321 | 4,009 |
| 1,350 | Oct-Dec ST | 15,682.99 | 27,711.50 | 7,344.00 | 21,697 | 17,369 | 19,033 |
| 43,038 | Total | 51,457 | 90,835 | | 71,146 | 61,727 | 71,972 |