

NATIONAL MARINE FISHERIES SERVICE REPORT ON
GROUNDFISH MANAGEMENT

National Marine Fisheries Service (NMFS) Northwest Region will briefly report on recent regulatory developments relevant to groundfish fisheries and issues of interest to the Council including an update on the development of monitoring program alternatives for the shore-based Pacific whiting fishery. Because establishing a permanent monitoring program for the shore-based whiting fishery will not be possible prior to the start of the 2005 fishery, NMFS will again require an exempted fishing permit (EFP) for participation in the 2005 shore-based whiting fishery. Terms and conditions of the whiting EFP will be developed over the winter months. As in 2004, the EFP will continue to evaluate monitoring tools appropriate for the shore-based whiting fishery. The Council is scheduled to consider final EFP applications for 2005, including an EFP application submitted for the shore-based Pacific whiting fishery, under Agenda Item E.3.

NMFS Northwest Fisheries Science Center will briefly report on groundfish-related science and research activities including a summary of the stock assessment workshops held this year and a report on a planned cost-earnings survey of the trawl fishery.

Council Task:

Discussion.

Reference Materials:

1. Agendum Item E.1.a, Amendment 17 Letter: letter from Dr. McIsaac to Mr. Lohn; Council recommendation for modifying the *Pacific Coast Groundfish Fishery Management Plan* amendatory language adopted under Amendment 17.
2. Agendum Item E.1.b, NMFS Science Report: Commercial Cost-Earnings Survey of the Limited Entry Trawl Fleet.

Agenda Order:

- a. Regulatory Activities
- b. Science Center Activities
- c. Reports and Comments of Advisory Bodies
- d. Public Comment
- e. Council Discussion

Steve Freese
Elizabeth Clarke

PFMC
10/15/04

PACIFIC FISHERY MANAGEMENT COUNCIL

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October 13, 2004

Mr. Robert Lohn
Regional Administrator
National Marine Fisheries Service
Northwest Region
7600 Sand Point Way NE, Bin C15700
Seattle, WA 98115-0070

Re: Council recommendation for modifying the *Pacific Coast Groundfish Fishery Management Plan* amendatory language adopted under Amendment 17.


Dear Mr. Lohn:

The Pacific Fishery Management Council (Council) met September 13-17, 2004 in San Diego, California to consider, among other matters, Pacific Coast groundfish fishery management plan (FMP) amendatory language approved under Amendment 17. The Council wished to revisit the final Council action on Amendment 17 taken at its November 2002 meeting, as it did not appear the FMP amendatory language approved by the Secretary of Commerce (Secretary) accurately reflected what the Council had adopted.

The portion of Amendment 17 in question concerned the policy and process for considering potential modifications of specified optimum yields during a biennial management cycle. Throughout the developmental process for Amendment 17, there had been concern there may be a need to modify optimum yields based on new groundfish stock assessments or rebuilding analyses that become available midway through a biennial management cycle. The Council reviewed the original motion language, associated reference documents available at the November 2002 Council meeting, the Council transmittal letter, as well as the National Marine Fisheries Service (NMFS) approval letter and approved Amendment 17 language.

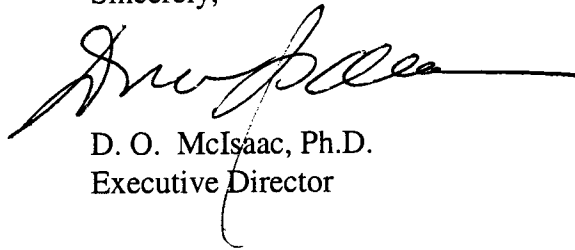
The Council confirmed the original action was to allow consideration of both decreases and increases of optimum yields due to new stock assessments for any species of concern to the Council. The language considered for Secretarial approval, and ultimately approved, only applied to potential decreases in optimum yields previously specified for overfished species, which was not recommended by the Council. Under Section 304(a)(3) of the Magnuson-Stevens Fishery Conservation and Management Act, the Secretary shall either approve, partially approve, or disapprove a Council recommendation, not add features the Council did not recommend. Therefore, it follows the associated amendment language that was actually approved by Secretarial action concerning adjustments to pre-specified optimum yields is null. Please acknowledge the attached language in brackets and gray highlight from FMP Section 5.7.1 is not in effect.

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The Council discussed moving forward to create an appropriate mid-cycle adjustment process to accommodate new scientific information. It is the Council's intent to develop the criteria, thresholds, mechanisms, and policy for considering mid-process optimum yield adjustments by early next year, prior to the next round of adopting groundfish stock assessments for management decision making. The Council tasked Council staff with beginning the process of developing the criteria and thresholds, and mechanisms for such mid-process adjustments, with general direction that adjustments be a rare event. Council staff will arrange for initial technical analyses and schedule a meeting of the Council's Ad Hoc Groundfish Information Policy Committee after the November 2004 Council meeting. A two-Council meeting process with an appropriate Environmental Assessment analysis is envisioned.

Should you have any questions on these matters, please don't hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "D. O. McIsaac", with a long horizontal flourish extending to the right.

D. O. McIsaac, Ph.D.
Executive Director

JDD:kla

Enclosure

c: Council Members
Dr. Steve Freese
Ms. Eileen Cooney

EXCERPT FROM THE PACIFIC COAST GROUND FISH FISHERY MANAGEMENT PLAN

5.7 Inseason Procedures for Establishing or Adjusting Specifications and Apportionments (previously 5.9)

5.7.1 Inseason Adjustments to ABCs, OYs, HGs, and Quotas

Under the biennial specifications and management measures process, stock assessments for most species will become available every other year, prior to the November Council meeting that begins the three-meeting process for setting specifications and management measures. The November Council meeting that begins that three-meeting process will be the November of the first fishing year in a biennial fishing period. **[If the Council determines that any of the ABCs or OYs set in the prior management process are not adequately conservative to meet rebuilding plan goals for an overfished species, harvest specifications for that overfished species and/or for co-occurring species may be revised for the second fishing year of the then current biennial management period.]** ~~Occasionally, new stock assessment information may become available inseason that supports a determination that an ABC no longer accurately describes the status of a particular species or species group. However, adjustments will only be made during the annual specifications process and a revised ABC announced at the beginning of the next fishing year.~~

~~The only exception is in the case where the ABC announced at the beginning of the fishing year~~ **Beyond this process, ABCs, OYs, HGs, and quotas may only be modified in cases where a harvest specification announced at the beginning of the fishing period** is found to have resulted from incorrect data or from computational errors. If the Council finds that such an error has occurred, it may recommend the Secretary publish a notice in the *Federal Register* revising the **ABC incorrect harvest specification** at the earliest possible date.

NOTE: Gray highlight added for emphasis.

**National Marine Fisheries Service
Science Report to the November 2004 Meeting of the
Pacific Fishery Management Council**

Commercial Cost-Earnings Survey of the Limited Entry Trawl Fleet

The National Marine Fisheries Service (NMFS), in cooperation with the Pacific States Marine Fisheries Commission (PSMFC), will be conducting a cost-earnings survey of the west coast's limited entry trawl fleet. Data collected by the survey will be used for economic analysis of fisheries management policies.

This survey is needed because existing cost-earnings data are incomplete. Economic analysis of many key issues, such as vessel profitability and fleet efficiency, requires data on both vessel earnings and vessel costs. PacFIN provides excellent data on earnings from landings in Washington, Oregon, and California. However, data are generally not available on other sources of earnings such as landings in Alaska or at-sea deliveries. Cost data is also generally not available. As a result of these data gaps, much of the quantitative economic analysis needed to support sound fisheries management cannot currently be performed.

This survey seeks to minimize the burden on survey respondents while collecting the most essential data needed for economic analysis of fishery management policies. In support of this objective, the survey does not request information that can be reliably obtained from existing data sources. Experience gained from the 1999 limited entry trawl fleet cost-earnings survey has been incorporated into the design of this survey. While the 1999 survey provided data on some vessels, the overall response rate was insufficient for purposes of fleet-wide economic analysis. As a result, the length of this survey is considerably shorter than the 1999 survey. The current survey focuses on collecting four types of data --- information on annual costs for major cost categories, information on annual earnings for major earnings categories not provided by PacFIN, information on vessel characteristics (physical characteristics and fuel usage rates), and crew compensation methods. Information on cost and earnings categories will be collected on an annual rather than seasonal basis in order to minimize the burden on survey respondents.

The survey will contact all owners of commercial fishing vessels that have limited entry permits and trawl gear endorsements. Owners of these vessels will first be contacted by mail. This initial mailing will contain information about the survey as well as the survey questionnaire. This initial mailing will be followed by a telephone call to schedule an in-person interview. Discussions with fleet members have indicated that in-person interviews will yield a higher response rate than mail or telephone interviews. The survey will be fielded during the first quarter of 2005.

The success of this survey depends entirely upon cooperation between industry and science. Over the past decade, the fishing industry has frequently called upon the Council and NMFS to improve the economic analysis of proposed management actions. However, the ability of analysts to predict or document the economic effects of management change is directly dependent upon the reliability and completeness of the data available to them. This is true for major structural shifts, such as implementing Individual Quotas, as well as for more routine management changes. With a sufficient response rate, this survey will greatly improve our ability to provide reliable economic analysis to support sound fisheries management.