

DRAFT SUMMARY MINUTES
Ad Hoc Allocation Committee

Pacific Fishery Management Council
Embassy Suites Portland Airport Hotel
Cedars I and II Rooms
7900 NE 82nd Avenue
Portland, OR 97220
503-460-3000
January 26-27, 2005

WEDNESDAY, JANUARY 26, 2005 - 1 P.M.

A. Call to Order

1. Roll Call, Introductions, Announcements, etc.

Mr. Hansen called the meeting to order at 1 p.m.

Members Present:

Mr. Phil Anderson, Washington Department of Fish and Wildlife (WDFW)
Dr. Steve Freese, National Marine Fisheries Service Northwest Region
Mr. Don Hansen, Dana Wharf Sportfishing, Pacific Fishery Management Council Chairman
Ms. Cyreis Schmitt, Oregon Department of Fish and Wildlife (ODFW) (designee for Dr. Patty Burke)
Ms. Marija Vojkovich, California Department of Fish and Game

Advisors Present:

Ms. Eileen Cooney, National Oceanic and Atmospheric Administration Northwest Regional Counsel
Ms. Kathy Fosmark, Groundfish Advisory Subpanel (GAP), Open Access Representative
Mr. Pete Leipzig, Fishermen's Marketing Association, Limited Entry Trawl Representative
Ms. Michele Longo-Eder, Limited Entry Fixed Gear Representative
Mr. Rod Moore, West Coast Seafood Processors Association, GAP Chair, Processor/Buyer Representative
Mr. Bob Osborn, United Anglers of Southern California, Recreational Representative

Others Present:

Mr. Steve Bodnar, Coos Bay Trawlers Association, Bandon Submarine Cable Committee
Mr. Mark Cedergreen, Westport Charterboat Association, Pacific Fishery Management Council
Dr. Elizabeth Clarke, National Marine Fisheries Service Northwest Fisheries Science Center
Mr. Brian Culver, Washington Department of Fish and Wildlife, GMT
Ms. Michele Culver, Washington Department of Fish and Wildlife, Chair, Groundfish Management Team (GMT)

Dr. Kit Dahl, Pacific Fishery Management Council, Staff

Mr. John DeVore, Pacific Fishery Management Council, Staff
Mr. Chris Dorsett, The Ocean Conservancy
Mr. Kenyon Hensel, GAP
Mr. John Holloway, GAP
Mr. Peter Huhtula, Pacific Marine Conservation Council (PMCC)
Mr. Bill James, Kaizer, Oregon
Ms. Gway Kirchner, Oregon Department of Fish and Wildlife
Ms. Dorothy Lowman, Environmental Defense
Dr. Don McIsaac, Executive Director, Pacific Fishery Management Council
Mr. Dale Myer, Arctic Storm, Inc., GAP
Mr. Brad Pettinger, Oregon Trawl Commission
Mr. Mark Saelens, Oregon Department of Fish and Wildlife
Mr. Dan Waldeck, Pacific Whiting Conservation Cooperative
Mr. Frank Warrens, Pacific Fishery Management Council
Dr. Ed Waters, Pacific Fishery Management Council, Staff
Mr. Dan Wolford, Coastside Fishing Club

2. Opening Remarks and Agenda Overview

Dr. McIsaac reviewed the agenda. Agenda item B was deferred to a future Ad Hoc Allocation Committee (Committee) meeting because Dr. Patty Burke had to attend a funeral in Minnesota and could not be available today. Mr. Leipzig wanted clarification on the role of Trawl Individual Quota (TIQ) advisors to the Committee. Dr. McIsaac said the role was to provide advice to the Committee on sector allocation needs to support the TIQ initiative and to participate in discussion. However, the TIQ advisors do not vote on Committee matters. Mr. Moore asked if the advisors had a role in non-TIQ matters. Mr. Hansen said no, other than general public comment. The Committee agreed the advisors would openly participate in TIQ matters.

3. Approve Agenda

The agenda was approved by the Committee.

B. Allocation Incentive/Disincentive Mechanisms

Item deferred until the next meeting.

C. Lingcod Allocation for 2005 and 2006

This item was discussed at the behest of various Council members who were interested in exploring ways to access more lingcod, given that about 1,500 mt are projected to go unharvested this year due to canary rockfish constraints. Mr. Anderson asked which groundfish species were allocated this year. Mr. DeVore said sablefish and whiting were allocated according to provisions in the fishery management plan (FMP) and as specified in federal regulations. There have also been some shorter-term allocations made for the current management cycle. Lingcod were divided at the Oregon/California border and allocated to recreational fisheries north and south of there. Similar recreational harvest guidelines with this geographic split were decided for allocating yelloweye and canary rockfish. Canary rockfish

were further allocated to commercial trawl sectors to accommodate unavoidable bycatch mortality with 7.3 mt shared by the whiting trawl sectors and 8.0 mt reserved for the non-whiting trawl sector.

Ms. Schmitt indicated ODFW had received a number of requests from industry to change lingcod allocations, and the department did not want to proceed with this until full observer data analysis was complete. (Dr. Patty Burke later in the meeting indicated Council member Bob Alverson had made a motion at a previous Council meeting to have the Committee consider lingcod allocation options, and that is why it is on the agenda at this meeting.) Ms. Schmitt stated that, since new observer data reports are not yet available, it is premature to discuss this.

Ms. Cooney explained the legal constraints for making allocation decisions. Mr. Moore asked about the FMP constraints for allocation decision-making. Ms. Cooney said the FMP is not really specific about allocation decisions other than a two- or three-meeting process is required, which is the Council's normal decision-making process. The Council needs to be clear regarding the intended allocation and differentiate whether this is a direct allocation or an ad hoc allocation for the next management cycle.

D. Amendment 18 - Programmatic Bycatch Reduction

1. Defining Sector Total Catch Limits
2. What Sectors Should Have Total Catch Limits?
3. What Species Should Have Total Catch Limits?

Dr. Dahl reviewed the issues that are part of the Amendment 18 bycatch reduction initiative. He noted the intersection of many Council initiatives involving bycatch reduction and managing with sector total catch limits. This is the management direction for deciding biennial specifications and management measures, developing a trawl individual quota (TIQ) program, and the intersector allocation process. The two tasks for the Council in March are adopting final Amendment 18 FMP language and determining an implementation strategy. This agenda item focuses on the implementation strategy with respect to managing the groundfish fishery using total catch limits. He reviewed the often confused definitions surrounding the terms, "bycatch," "total catch," and "total fishing mortality." The Magnuson-Stevens Fishery Management and Conservation Act (MSA) defines bycatch as all catch not sold or retained for personal use. The recommended term consistent with how the Council manages the West Coast groundfish fishery is total catch, which represents landed catch + at-sea discards. Total fishing mortality is total catch – those fish discarded at sea that survive. Concepts in the Council's preferred alternative for Amendment 18 include vessel-specific catch limits and sector catch limits. These would be harvest limits at the vessel and sector level. The Amendment 18 Environmental Impact Statement (EIS) describes eight commercial fishing sectors: limited entry trawl, limited entry fixed gear longline, limited entry fixed gear pot, three whiting sectors (catcher/processors, motherships, and shore-based), open access, and tribal. Additionally, the recreational fishery is considered a sector.

The Committee's task is to recommend what species should be capped with a total catch limit and what sectors should be managed with total catch limits. An intersector allocation EIS is contemplated to support development and implementation of the TIQ program and other Council initiatives.

Dr. Dahl introduced the proposal from PMCC, the Natural Resources Defense Council, The Ocean Conservancy, and Oceana (PMCC *et al.*) regarding managing with total catch limits. They propose a new concept, whereby members of a sector can opt out of the sector and manage by pooling their total catch caps.

Mr. Moore asked about the definition of “non-target species.” He brought up the fact that yellowtail rockfish is a target species for midwater trawl, but an incidental (non-target) species in a flatfish trawl operation. Dr. Dahl said he was not sure, although most of the focus in bycatch reduction is on overfished species. Dr. Freese said the term (target vs. non-target) could be characterized by sector. A non-target species in one sector can be a target in another sector. Mr. Anderson understood non-target species would be overfished species that are clearly not a target in any groundfish fishery. Mr. Moore asked what is meant by vessel-specific total catch limits being non-tradable individual vessel quotas. Dr. Dahl said this does not preclude tradable quotas which is also a foreseeable management tool adopted by the Council under their preferred Amendment 18 alternative.

Mr. Dorsett reviewed the proposal from PMCC *et al.* Their proposal is similar to the Council’s preferred alternative. One key difference in their proposal is the concept of pooled vessel catch limits by a segment of any sector. Mr. Huhtula thought their would be a market-based incentive to pool total catch limits as well as an efficiency in monitoring at-sea discards. Dr. Dahl asked if fishermen participating in a pool could act like a cooperative where they could contract who fishes in the pool. Ms. Cooney said the legal issue here is anti-trust law. Unlike an individual fishing quota (IFQ) program where the Council assigns quota and establishes a set of rules for transferring/trading quota, a pooled “cooperative” could run afoul of anti-trust law if it is not structured carefully. The Pacific Whiting Conservation Cooperative received advice from the Department of Justice on how they could operate and avoid anti-trust problems. Ms. Longo-Eder said pooling bycatch caps may necessitate regulatory changes to allow pooling of limited entry permits. Ms. Vojkovich asked what pooling means. Is this a private contract among a limited number of boats to pool their bycatch caps and allow just one or more vessels in the pool? Mr. Dorsett said yes. However, vessels operating in the pool would opt out of their assigned sector and would, therefore, have to hire their own observers, etc. Mr. Moore asked Mr. Dorsett how to decide allocation of total catch limits for a pool from a specified sector catch limit. Mr. Dorsett said this is simply a concept at this point. Mr. Huhtula said there could be an allocation scheme based on catch histories or allocation along geographic lines.

Dr. McIsaac recommended the Committee take up the charge on sectors or species which should be considered for total catch limits. Dr. Freese said any allocation discussion should include catch histories, the instruments used, and the principles for deciding allocation. Dr. Dahl said the Committee should also consider the duration of any allocation decision (biennial, permanent until changed, etc.). Ms. Cooney said the Committee should also consider explicit allocations of target and non-target species. Dr. McIsaac encouraged the Committee to define catch limits, the sectors that should have catch limits, and those species so limited.

Mr. Anderson recommended we define catch limits in terms of total fishing mortality. He also recommended the overfished species should have total fishing mortality caps (or total catch limits). He recommended each of the nine defined sectors be managed with total catch limits for overfished species. There might be consideration for redefining the open access sector into

directed and incidental groundfish sectors. He cautioned we need to be careful with how this management strategy is characterized for the tribal sector given treaty rights, etc. Vessel-specific caps should be considered on a sector-by-sector basis. An important consideration in establishing vessel-specific total catch limits is the availability of observer coverage and the ability to enhance observer coverage. Ms. Longo-Eder was confused with the term total fishing mortality. Does this include latent mortality? Mr. Anderson said his intent was to use landings + discard mortality, but not latent mortality (fish that encounter fishing gear, but are lost and suffer mortality). Latent mortality is not included, since it is unquantifiable in the groundfish fishery. The definition of total catch limit was approved by the Committee.

Mr. Moore questioned how to split the open access sector further. Mr. DeVore recommended the Council consider establishing directed groundfish and incidental groundfish open access sectors. Ms. Longo-Eder recommended a further sector split of limited entry fixed gear longline and pot sectors into sablefish-endorsed and non-sablefish-endorsed sectors. Ms. Vojkovich wondered if a private vs. charter recreational sector split or a shore-based vs. at-sea recreational sector split should also be considered. Mr. Anderson said it is a WDFW policy to avoid such recreational sector splits and was not in favor of this idea. Mr. Leipzig asked what if one sector is better than another at avoiding overfished species' bycatch? Ms. Schmitt remarked another possible open access sector split may be nearshore vs. the offshore component of the fishery primarily targeting sablefish.

Dr. McIsaac asked about observer coverage in the open access fleet. For instance, is there separate coverage for pink shrimp vessels? Dr. Clarke said she was not sure, but there is less observer coverage with a greater number of commercial sectors. Dr. Dahl said another mechanism is for the Council to broadly define sectors (i.e., fewer sectors) and allow members of a sector to split out from that sector with the implication they would have to pay for observers (i.e., the PMCC *et al.* proposal). Ms. Longo-Eder said she recommended further subdividing the limited entry fixed gear sector by gear and whether they have sablefish endorsements because she envisions potential problems with allocation between these smaller sectors. For instance, the sablefish-endorsed fleet could shut down the non-sablefish-endorsed fleet. Dr. Clarke said these two fleets are separately observed with data reports thusly stratified. She also said there are confidentiality issues to contend with when data are reported for a sector that has only a few vessels. Ms. Vojkovich asked if it would be valuable to sort sectors by the amount of bycatch historically observed. Why cap fisheries with a negligible groundfish bycatch? Dr. McIsaac recommended a practicability standard where sectors that have a negligible bycatch do not need caps. He thought that was consistent with the Council preferred Amendment 18 alternative. Mr. Osborn agreed there should be de minimus standards. Mr. Leipzig wondered how any sector that catches species of concern can be excused when the fishery in total can attain an optimum yield (OY). Ms. Cooney thought the issue may be species-specific by sector. We could have more discriminant caps for constraining species. Mr. Anderson asked how it would be possible to monitor individual sectors. For which sectors do we have the ability to do real-time monitoring? He agreed that caps should be species-specific by sector. For low bycatch sectors, it is less crucial to have real-time monitoring, since corrections could be made on an annual basis. He recommended using the Groundfish Management Team's (GMT's) bycatch scorecard as a basis for deciding how different sectors are managed. Mr. Moore thought the open access sector should be divided by directed and incidental groundfish, but not as disaggregated as the GMT's bycatch scorecard is for the incidental open access sector. Ms. Longo-Eder said the limited entry fixed gear fleet has vessels with both longline and pot gear. Splitting this sector out by gear type

may encourage fishermen to use the gear with the least bycatch. Mr. Leipzig said other sector splits to consider could be dividing the recreational fishery along state lines and dividing the non-whiting trawl fishery by deep vs. shallow strategies or north and south of Cape Mendocino. Dr. Clarke recommended starting at higher levels of aggregation and then consider breaking out sectors into smaller components later. Mr. Anderson recommended for initial analysis that we go with the initial nine sectors with open access split out into directed and incidental groundfish. The analyses could then explore observer coverage by these sectors and whether vessel-specific caps are warranted.

The Committee discussed whether these allocation decisions would be in the FMP or in regulations and the duration of ultimate allocation decisions. Some of this discussion is scheduled for tomorrow. Ms. Vojkovich asked if total catch limits would be an allocation decision, or something else. Mr. DeVore said the preferred alternative under Amendment 18 committed the Council to add tools such as total catch limits to the management system. Specifying total catch limits is part of an anticipated intersector allocation process that is needed to develop a TIQ program. Ms. Vojkovich asked if the Committee was talking about allocating total catch limits in the FMP or are these recommendations to be considered guidelines. Ms. Cooney answered that, so far, none of these decisions/recommendations have been made. It is up to the Council how these limits would be characterized. Ms. Vojkovich asked how the GMT's bycatch scorecard would be used. Mr. DeVore said that is another decision, but the GMT will need some tool to track total mortality by sector. Mr. Moore recommended specific language should be added to the FMP via Amendment 18 rather than the general framework language that describes available management tools. Mr. Anderson asked if we could identify primary sectors in the FMP and specify that further subdivision can be done subsequently. Ms. Cooney said yes. The Committee then recommended listing the ten primary sectors in the FMP under Amendment 18 and defining the total catch limit standard as total mortality (landings + discard mortality).

Ms. Longo-Eder asked about tradability and the need to consider amendment language now. Mr. DeVore said the IQ language in the Amendment 18 preferred alternative already includes the concept of tradability. Dr. Freese agreed the IQ language implies tradability. Otherwise, a total catch limit in the context of this Committee's discussion would be considered a "restricted bycatch quota."

THURSDAY, JANUARY 27, 2005 - 8:30 A.M.

Members Present:

Mr. Phil Anderson, Washington Department of Fish and Wildlife
Dr. Steve Freese, National Marine Fisheries Service Northwest Region
Mr. Don Hansen, Dana Wharf Sportfishing, Pacific Fishery Management Council Chairman
Dr. Patty Burke, Oregon Department of Fish and Wildlife
Ms. Marija Vojkovich, California Department of Fish and Game

Advisors Present:

Ms. Eileen Cooney, National Oceanic and Atmospheric Administration Northwest Regional Counsel
Ms. Kathy Fosmark, Groundfish Advisory Subpanel (GAP), Open Access Representative
Mr. Pete Leipzig, Fishermen's Marketing Association, Limited Entry Trawl Representative

Ms. Michele Longo-Eder, Limited Entry Fixed Gear Representative
Mr. Rod Moore, West Coast Seafood Processors Association, GAP Chair, Processor/Buyer Representative
Mr. Bob Osborn, United Anglers of Southern California, Recreational Representative

Others Present:

Mr. Steve Bodnar, Coos Bay Trawlers Association, Bandon Submarine Cable Committee
Mr. Mark Cedergreen, Westport Charterboat Association, Pacific Fishery Management Council
Dr. Elizabeth Clarke, National Marine Fisheries Service Northwest Fisheries Science Center
Mr. Brian Culver, Washington Department of Fish and Wildlife, GMT
Ms. Michele Culver, Washington Department of Fish and Wildlife, Chair, GMT
Dr. Kit Dahl, Pacific Fishery Management Council, Staff
Mr. John DeVore, Pacific Fishery Management Council, Staff
Mr. Chris Dorsett, The Ocean Conservancy
Mr. Kenyon Hensel, GAP
Mr. Peter Huhtula, Pacific Marine Conservation Council (PMCC)
Mr. Bill James, Kaizer, Oregon
Mr. Steve Joner, Makah Fisheries Management
Ms. Gway Kirchner, Oregon Department of Fish and Wildlife
Ms. Dorothy Lowman, Environmental Defense
Dr. Don McIsaac, Executive Director, Pacific Fishery Management Council
Mr. Dale Myer, Arctic Storm, Inc., GAP
Mr. Brad Pettinger, Oregon Trawl Commission
Mr. Mark Saelens, Oregon Department of Fish and Wildlife
Mr. Jim Seger, Pacific Fishery Management Council Staff
Mr. Dan Waldeck, Pacific Whiting Conservation Cooperative
Dr. Ed Waters, Pacific Fishery Management Council, Staff
Mr. Dan Wolford, Coastside Fishing Club

Mr. Hansen called the meeting to order at 8:35 a.m. Dr. McIsaac briefed the Committee on the budget outlook and reviewed today's agenda. Last year the TIQ program was funded at a \$250,000 level. The funding for developing the TIQ program and an Intersector Allocation initiative is not yet available. Therefore, until this funding is decided and available, there is unlikely to be substantial progress. The Committee is charged with recommending intersector allocations for a TIQ program and the companion Intersector Allocation initiative. Today's agenda is devoted to these two initiatives. He cautioned the Committee to avoid the minute details of these initiatives and to take a big picture look. Mr. Hansen remarked that the Office of Management and Budget (OMB) has put in a funding request for developing IQ programs in 2006. There may be a funding gap this year. The OMB request will be incorporated in the President's budget. This funding is for all Councils to further fishery rationalization initiatives.

E. Consideration of Intersector Allocations

1. The Needs for Intersector Allocations
2. How Should the Advisors to the Allocation Committee Conduct Their Work?
3. Should Council Staff Initiate Development of an Intersector Allocation Environmental Impact Statement?
4. Which Species and Areas Are Intersector Allocations Needed to Support a TIQ Program?
5. Which Species and Areas Are Intersector Allocations Needed to Support Other Management Aspects (Non-TIQ)?
6. In What Order Should Intersector Allocations Be Resolved?

Mr. Anderson said part of this decision is to recommend whether there is a need for Intersector Allocation. If the answer is no, is it necessary to continue this agenda? There was a deliberative decision that allocation decisions would be undertaken by the Allocation Committee. We need to simultaneously initiate the TIQ and Intersector Allocation processes. He believes an intersector allocation process is needed regardless of whether the TIQ initiative is forwarded or not. This will benefit the biennial specifications decision-making process. This will be helpful to the Council in the long term. Mr. Leipzig agrees given the contentious nature of biennial allocation decisions. This will add stability to the Council process. The TIQ process is also important. The intersector allocation decision-making process is needed to make progress in the TIQ process. However, the TIQ process also requires allocation of trawl target species. The GMT bycatch scorecard only addresses overfished species. Ms. Longo-Eder agreed with the need for an intersector allocation. Members of the limited entry fixed gear fleet were polled and agree this intersector allocation process is needed for stability. For instance, thornyheads are a major trawl target; however, this is an important target for the non-sablefish-endorsed limited entry fixed gear fleet. The fleet believes this Committee is the key body for making these allocation decisions. She also presented a request that the current trawl/fixed gear sablefish allocation be revisited as part of this process. Mr. Osborn said recreational fishermen strongly support intersector allocation, but questioned whether a fixed allocation would contribute to stability of the management system. He believes strong harvest control rules are needed to achieve stability. Dr. McIsaac asked Mr. Osborn if he was opposed to long-term allocations for the recreational fishery. Mr. Osborn said no. He wants to examine allocation guidelines and processes, but not necessarily end up with long-term hard allocations. He said fishery rationalization also needs to occur between sectors with available mechanisms to deal with such issues as increasing demand for fish and cultural change such that these risks are not merely transferred from one sector to another. He wants to examine allocation guidelines, but not necessarily long-term allocations. Mr. Moore partially disagreed and stated intersector allocation is the key to stability. The whiting allocation process was contentious, but it brought stability to that sector. Fishermen and processors are better able to develop business plans with a hard allocation. Mr. Hensel was concerned with intersector allocations. He believes hard allocations create a loss of flexibility to a management system in flux. New stock assessments can change the balance, and allocation may need to be changed. Mr. Cedergreen agreed that we need to maintain flexibility given the changes in stock status and to weather the effect of court decisions in a litigious atmosphere. Dr. McIsaac concluded from the discussion the Committee agrees with the need to proceed with an intersector allocation process. The Committee agreed. Mr. Joner remarked the tribes may in the future seek more formal allocations for other groundfish species (there is already a hard tribal allocation for whiting and sablefish). Such tribal allocation decisions involve intertribal negotiations and biological constraints such as

stock structure and regional distribution. Mr. Anderson said he has been thinking about tribal allocation issues and how to proceed on that front. There are some species where there are specific tribal allocations. Other species have become more prevalent in tribal fisheries, and we need to keep this in mind. The tribal fishery has grown a lot in the last five years which changes the fishery allocation landscape. This creates the impetus for more regional OYs than the current practice of specifying coastwide OYs for many of the FMP species. Dr. McIsaac said it would be helpful to identify the sectors and species that should be considered in an intersector allocation process. Mr. Moore was not sure the sectors identified yesterday during the Amendment 18 discussion for consideration of total catch limits of overfished species would be the same for intersector allocation of more traditional target species. Mr. Anderson said, as we discuss all the fishery sectors, the species which require an intersector allocation decision should fall out. We will find some species do not need to be allocated and others will, but perhaps not across all sectors. Mr. Leipzig agreed and pointed out some species are caught only in trawl fisheries while others are caught across many or all sectors. Ms. Longo-Eder said we should focus on landings for many years, not just 2002 landings (the handout identified 2002 landings by sector) given the annual variability in fisheries. Ms. Vojkovich recommended we keep in mind that trawl gear may not be the most desirable way to harvest some species that have been trawl targets. Mr. Saelens agreed and recommended we take a forward look and try to reach a common vision on how we want the fishery to look like in the future. It would be wrong to perpetuate all elements of the current management regime. He stated that attention needs to be given to the degree to which groups might be able to change gears over time. Dr. Freese recommended we look forward five years. Looking too far forward will complicate the process and analyses. Mr. Anderson said another way to proceed is to look at annual trawl trip limits and the acceptable biological catch (ABC)/OY table as a place to start. The first step for advancing the TIQ initiative would be to focus on the species assemblages and allocations we currently have. We could go down the trawl trip limit table to determine the species we need to focus on to do intersector allocation. Mr. Leipzig said we also need to look at the fishery itself.

Mr. Anderson said the first sector cut for allocation is limited entry trawl, limited entry fixed gear, open access, and recreational. The Committee proceeded to develop Table 1 (appended to this report) of groundfish FMP species caught by these sectors. An "X" in the cell denotes a species considered for allocation to a particular sector. An "X" in the Incidental column signifies the need to allocate some yield for that species to accommodate incidental bycatch in sectors not already noted.

Mr. Anderson stated the next order of business is to decide which species need to be allocated to the limited entry trawl sector in order to develop a TIQ program. Mr. Moore said any species with trawl landings probably need IQs. Mr. Leipzig pointed out that some species, such as English sole, are probably not taken by non-trawl sectors. Ms. Culver asked if there are species that could be managed with trip limits rather than IQs. Mr. Leipzig said yes, but is that the right approach? The decision on which species get IQs has not yet been made. Ms. Vojkovich remarked the table contains the longest list of species considered for allocation. Mr. Leipzig said we need to pick some time periods to generate tables depicting catch history by sector. Dr. Freese recommended looking at a limited set of years. Mr. Moore said the 2000-2004 period includes years with and without Rockfish Conservation Areas during management under the Sustainable Fisheries Act. Ms. Culver recommended inclusion of years prior to 1999 when trawl targeting of rockfish was allowed. She thought the early- to mid-1990s would be an important period to capture the changing management structure with respect to incentives and disincentives

to retain certain species. Ms. Longo-Eder recommended three periods be looked at using period averages: 1990-1995, 1996-2000, and 2001-2004. Dr. Freese recommended against using period averages and instead suggested taking annual “snapshots” of the fishery every five years (i.e., 1990, 1995, 2000, and 2004). Ms. Vojkovich pointed out there was a problem with missing Recreational Fishery Information Network data in 1990. Mr. Anderson said there was a similar problem with 1999 recreational fishery data. After some discussion, the Committee agreed the years to look at should be 1988, 1994, 1998, and 2004.

The Committee briefly discussed how advisors to the Committee should conduct their work. Ms. Vojkovich hoped the advisors could help flesh out some of the issues that will be deliberated prior to future Committee meetings. This would help committee members be more prepared to discuss ideas the advisors would be presenting. Ms. Fosmark recommended an outreach program be developed given the fragmentation of the open access sector. Mr. Moore asked if the advisors should meet independently from the Allocation Committee. Ms. Vojkovich said not necessarily. Mr. Leipzig remarked that each advisor has constituents. The advisors can take issues back to them and get their feedback. The Committee agreed that was their expectation.

The Committee then continued discussing the species and areas for allocations needed to support a TIQ program. Mr. Anderson agreed on the need to look forward when making allocation decisions. We need to determine how we want to shape the fishery. Therefore, using catch histories and the structure of past fisheries are important considerations, but we do not need to perpetuate past problems. For instance, trawl gear may be the most efficient way to harvest many of our flatfish species like petrale sole, but, in his opinion, not the best way to harvest nearshore species. This is the kind of perspective he recommends this Committee should have. Allocation for obvious trawl target species can probably be decided in the next step. There will likely be a need to allocate overfished species to accommodate incidental take. Dr. Burke thought this was an encouraging perspective. She is concerned with the current management system and the unbalanced incentives/disincentives inherent in how allocation decisions have been made in the annual/biennial specifications decision-making process. Mr. Leipzig also urged a certain amount of flexibility be maintained in how we decide allocation in the future. He envisions sliding scale and percentage mechanisms to structure future allocations. Ms. Longo-Eder suggested there should be MSA and Strategic Plan concepts and goals in front of the Committee for how to decide future allocations. Is the goal bycatch reduction or fishery stability? We need to understand our MSA and Strategic Plan goals. Mr. Dorsett recommended habitat impacts also be on the forefront of Committee members’ minds.

Ms. Vojkovich asked about the expected time frame for making allocation decisions. Mr. Seger said it depends on what is driving the process. Developing a TIQ program requires allocations, but Amendment 18 requires consideration of allocation issues if hard caps are to be used for bycatch reduction. A TIQ program could be implemented by 2008 or 2009. Ms. Vojkovich asked if we need to make intersector allocation decisions as part of the 2007-2008 management decision-making process. Mr. DeVore said the formal process of developing an intersector allocation EIS will take too long to be implemented by 2007, but progress can be made in the interim. He recommended that allocations made for the 2007-2008 management cycle should accommodate or be consistent with the longer-term processes of intersector allocation and development of a TIQ program to the extent practicable. Dr. Burke encouraged the use of sustainable, incentive-based management measures for the 2007-2008 management cycle.

The Committee then discussed the species and areas for allocations needed to support other management aspects (non-TIQ). Ms. Fosmark said open access fishermen who direct their efforts on groundfish are concerned with the lack of permitting in their sector. They feel they are losing control of their fishery. Ms. Vojkovich agreed and said this is a priority with the State of California. The nearshore fisheries within the state's jurisdiction are limited entry now. The lack of a federal permitting system for open access has severely hampered fishery rationalization. Mr. Moore remarked that the Amendment 18 discussion covered part of this agenda item. He asked if there are interactions between the recreational and open access fisheries in California that ought to be looked at by this committee. Mr. Osborn said hard allocations may make those types of issues more difficult. Ms. Vojkovich asked if communities could buy IQ. There are some California ports that are losing income by the change in fishery management in the last five years. A TIQ program could further erode their economic base. Ms. Cooney said this is possible and there are some community IQs in Alaska. Mr. Anderson said the California recreational species need allocations, especially for the overfished species. However, not all species caught in recreational fisheries need to be allocated to that sector. For example, sablefish, widow rockfish, and other shelf rockfish species may simply need a set-aside to accommodate incidental bycatch. Ms. Vojkovich said the future needs of fisheries are uncertain, so she was reluctant to conclude that certain fisheries do not need an allocation of certain species. Mr. Anderson said the Committee should consider a five-year future time frame, not an indefinite future.

F. Elements of an Allocation Decision

1. Frequency (Biennial, Limited Duration, Until Changed, Other)
2. Structure (Percentages, Sliding Scales, Tables, Rules for Suspension)
3. Criteria

Mr. Leipzig recommended a more permanent allocation for the trawl fishery (i.e., allocation maintained until changed) would provide stability for the industry. He thought a percentage of the total yield would be a reasonable way to go in structuring allocation of target species. A sliding scale makes sense for many of the overfished species. By sliding scale, he means that, as biomass changes, the allocation percentage changes according to the needs of the affected fishing sectors. This sliding scale would probably need to be specific to each species. Ms. Vojkovich asked for some examples of sliding scale allocation formulae for the next Committee meeting. Mr. DeVore explained the tribal whiting allocation formula uses a sliding scale structure. Mr. Seger added that allocation guidelines could be used to resolve some of the allocation issues while preserving some of the flexibility of the current biennial allocation system. Ms. Vojkovich remarked long-term allocations vs. biennial allocations are in conflict in terms of the stated goals (stability vs. flexibility). She likes the idea of allocation decisions lasting for two to three biennial management cycles. Mr. Moore said imposing a five-year checkpoint on the allocation decision may be a good compromise. Mr. Leipzig said allocations of the trawl-dominant species could be of longer duration than for the other species. This is another example of how to reach a compromise relative to the goals of stability and flexibility. Ms. Longo-Eder also stated there was general agreement in the limited entry fixed gear fleet that they want the ability to buy trawl quota share and use it in their fishery. The TIQ process could allocate a portion of their overall quota for the limited entry fixed gear fleet. Dr. Freese said five years seems to be a consensus recommendation as a checkpoint for some allocated species. This is also the checkpoint for evaluating the strategic plan.

G. Interactions Between Limited Entry Trawl and Open Access

1. How Should Trawl Catch With Open Access Gear Be Managed?

(See Issue Summary in Section A.1.0 of “Scoping Results On Dedicated Access Privileges For The Pacific Coast Limited Entry Trawl Groundfish Fishery”: Agenda Item E.6.a, Attachment 5 in the November 2004 Briefing Book)

Mr. Seger said a recommendation on this issue will be needed by the June Council meeting. This is an issue identified in the TIQ program that needs a more thorough discussion. What trawl gear harvest would TIQ be needed for? Does everything caught in the limited entry trawl fleet need to be covered with an IFQ? Or do you only need IFQ for trawl gear landings? He referred to the issue summary in Section A.1.0 of “Scoping Results On Dedicated Access Privileges For The Pacific Coast Limited Entry Trawl Groundfish Fishery” (TIQ scoping document): Agenda Item E.6.a, Attachment 5 in the November 2004 Briefing Book. Option 1 in this section of the TIQ scoping document requires limited entry trawl vessels to use TIQ to land groundfish when using open access gear. Option 2 does not require the use of TIQ for limited entry trawl vessel open access gear landings. Option 1 has implications for vessels using TIQ to catch quotas using open access gear. Mr. Moore asked if there was an option to use any legal gear to catch the quota. Mr. Seger stated that Option 1 provided that flexibility. Ms. Cooney said the options were structured to cover the possibilities based on the limited entry rules. Ms. Vojkovich pointed out that allocations into the open access sector become competitive and could result in an increase in the number of open access participants. Mr. Seger suggested, by the June Council meeting, the Committee should try to reach a consensus recommendation on its preferred alternative for this issue. It is not known what is needed as an allocation to open access to cover the shift.

The Committee requested electronic copies of all handouts from this meeting.

H. Effects of Overages or Underages in One Sector on Other Sectors

Mr. Seger explained this issue is driven by the MSA constraints not to exceed ABC. Would a TIQ program convert to a derby-like fishery to keep from being shut down before attaining quota if another sector or sectors causes the ABC to be exceeded? Would we need buffers in the allocation to prevent this? Canadians have a rollover provision, but are also not subject to the same legal constraints as American fishermen with the MSA. Ms. Cooney said a system could be developed that allows overages and underages. The plan would have to be carefully constructed to keep from going over harvest limits on a longer-term average basis. The problem is especially acute for managing overfished species. Dr. Burke asked about administrative costs associated with some of these more complex issues. Mr. Seger said such costs are typically addressed in NEPA analyses. Dr. Burke said this should be a priority element in any TIQ analyses. Mr. Moore remarked the GAP recommended one two-year OY under multi-year management. Such a system allowed rollover and could help in this potential problem. Was there a legal reason to not adopt this recommendation? Ms. Cooney said the Council decided against this option because there was a potential of running out of OY early in a biennial cycle. There are also provisions in the MSA regarding annual harvest targets that may or may not be a legal impediment to multi-year OYs. Ms. Vojkovich recommended developing a matrix to indicate MSA constraints on allowing overages, by species. This would be helpful in deciding

Council policy such as setting buffers. Ms. Cooney said this information should be laid out generically, since the future management system will certainly change. For instance, we may need to restructure rebuilding plans to accommodate new policy. Mr. Leipzig said the greatest concern is for constraining species where the likelihood of exceeding OY is greater. We need to be thoughtful on how different policies may play out. Dr. Freese reminded folks that full recovery of costs is mandated in establishing a TIQ program. Mr. DeVore noted that catch by sector is not equally well monitored.

I. Other Issues

Committee members scoped their calendars for the next meeting. They were asked to protect May 2-3, 2005 for the next Allocation Committee meeting.

TABLE 1. FMP groundfish species considered for allocation by sector. An “X” in the cell denotes a species considered for allocation to a particular sector. An “X” in the Incidental column signifies the need to allocate some yield for that species to accommodate incidental bycatch in sectors not already noted.

Species	LE Trawl	LE Fixed Gear	Open Access	Recreational	Tribal	Incidental
Bank	X	X	X			X
Blackgill	X	X	X			X
Darkblotched	X				X	X
Splitnose	X	X	X		X	X
POP	X				X	X
Minor slope RF	X	X	X		X	X
Longspine thornyheads	X				X	X
Shortspine thornyheads	X	X	X		X	X
Shortbelly						X
Widow	X	X	X	X	X	
Yelloweye	X	X	X	X	X	
Canary	X	X	X	X	X	
Bocaccio	X	X	X	X		
Cowcod						X
Chilipepper	X	X	X	X		X
Vermilion		X	X	X		X
Yellowtail	X	X	X	X	X	
Other shelf RF	X	X	X	X	X	
Black RF		X	X	X	X	X
CA Scorpionfish		X	X	X		
Gopher		X	X	X		X
Minor Nearshore RF		X	X	X	X	X
Arrowtooth	X				X	X
Dover	X				X	X
English	X		X		X	X
Petrals	X		X		X	X
Sanddabs	X	X	X	X	X	
Other Flatfish	X	X	X	X	X	
Kelp greenling		X	X	X	X	X
Lingcod	X	X	X	X	X	
Cabezon		X	X	X	X	X
Sablefish	X	X	X	X	X	
Whiting	X				X	X
Pacific Cod	X			X	X	X
Dogfish	X	X	X		X	X
Other Fish	X	X	X	X	X	

Summary of Allocation Committee Recommendations

Amendment 18 - Programmatic Bycatch Reduction

- The management standard should be a total catch limit defined as landed catch + discard mortality.
- Initial analyses of sector total catch limits should be done using the following ten sectors: limited entry trawl, limited entry fixed gear- longline, limited entry fixed gear- pot/trap, whiting- motherships, whiting- catcher/processors, whiting shore-based, open access-directed groundfish, open access- incidental groundfish, tribal, and recreational.
- The above recommendations should be included in the Amendment 18 FMP amendatory language.

Consideration of Intersector Allocations

- An intersector allocation process should proceed, regardless of the progress in developing a TIQ program.
- Initial analyses of intersector allocations should be done using the following sectors: limited entry trawl, limited entry fixed gear, open access, recreational, and tribal.
- The groundfish FMP species noted in Table 1 should be the focus of intersector allocations. Some yield should be set aside to accommodate incidental bycatch in sectors not noted in Table 1.
- Landings by sector in the years 1988, 1994, 1998, and 2004 should be reviewed to analyze intersector allocations needed to support a TIQ program.
- TIQ advisors to the Allocation Committee should solicit feedback from their constituents on relevant intersector allocation and TIQ program issues.
- The processes to decide intersector allocations and develop a TIQ program should maintain a five-year outlook when shaping the future of the groundfish fishery.

Elements of an Allocation Decision

- Allocations based on a percentage of the OY make the most sense for target species, while a sliding scale structure (the allocation percentage by sector varies with biomass) for allocating overfished species is recommended.
- Allocations of some target species, especially target species that are predominant in a single sector, should be of longer duration than allocations of more constraining species, such as the overfished species.
- Allocation decisions should be reviewed at least every five years.

Interactions Between Limited Entry Trawl and Open Access

- An Allocation Committee recommendation is needed by the June Council meeting.

Effects of Overages or Underages in One Sector on Other Sectors

- A matrix indicating MSA constraints on allowing overages by species should be developed for the next Allocation Committee meeting.

Other Issues

- The next Allocation Committee meeting is tentatively scheduled for May 2-3.

PFMC
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