PROPOSED AGENDA
Salmon Advisory Subpanel

Pacific Fishery Management Council
Red Lion's Sacramento Inn
Sierra A Room
1401 Arden Way
Sacramento, CA 95815
(916) 922-8041
March 6-10, 2000

MONDAY, MARCH 6, 2000 - 8 A.M.[1/]

A. Call to Order — Mark Cedergreen

1. Role Call (Sign Attendance Roster)
2. Review of Agenda

Priority Agenda Items for Monday are B., C., D., and E.

B. Review of 1999 Fisheries and Summary of 2000 Stock Abundance Estimates (Council Agenda Item B.1., Tuesday morning)

The Salmon Advisory Subpanel (SAS) may wish to establish a time for the Salmon Technical Team (STT) to join the meeting and respond to technical questions regarding the 1999 fisheries and 2000 abundance projections. The National Marine Fisheries Service (NMFS) should be able to provide some guidance on requirements for any newly listed species under the Endangered Species Act (ESA).

C. Estimation Procedures and Methodologies (Council Agenda Item B.2., Tuesday, late morning)

The two methodology issues still under review are (1) changes to the chinook Fishery Regulation Assessment Model (FRAM) to allow it to model selective fisheries and (2) STT recommendations for nonretention mortality rates to use in the 2000 recreational fisheries. These issues will be reviewed by the SSC at 3 p.m. on Monday, March 6, 2000.

D. Inseason Management Recommendations for Openings Prior to May 1 (Council Agenda Item B.3., Tuesday, late morning to early afternoon)

The Council will make recommendations for early commercial and recreational openings off Oregon and consider whether or not to open the April commercial test fishery off California south of Pillar Point.

E. Definition of 2000 Management Options (Council Agenda Item B.4. on Tuesday afternoon; Items E.3. and B.7. on Wednesday afternoon; Items B.8. and B.9. on Friday afternoon)

The SAS should have its preliminary management options completed in time to allow editing, collation, and copying in the secretarial center. Council staff can provide forms and some assistance to help you draft the options. Please follow the guidance in Attachment B.4.a. (Council briefing book) as much as possible. We would like your final input no later than 10 a.m., Tuesday morning. Please work with the Council staff to coordinate your efforts and forms. Note that the SAS must also provide options for the incidental halibut harvest restrictions in the commercial salmon fishery off Washington and Oregon (Council Agenda Item E.3.).

1/ The meeting will continue on Tuesday to complete the SAS agenda and as necessary during the week to advise the Council on the selection of final options on Friday.

Limit options to the least number that adequately cover a realistic range of allowable harvests and meet fishery management plan objectives. Initial definition of the management elements in the options will be completed by the Council at day's end on Tuesday. On Wednesday, the STT will return with the management elements collated into coastwide options for Council approval before beginning a full analysis. Final adoption of the options will occur on Friday.

Information on any new requirements for stocks listed under the ESA should be available from NMFS at the meeting.

F. Habitat Issues (Council Agenda Item C., Wednesday morning)

The Habitat Steering Group (HSG) will make its recommendations to the Council on Wednesday morning. If the SAS has any habitat comments, they may be made through the SAS liaison with the HSG or directly to the Council during the habitat agenda.

G. Halibut landing restrictions for the 2000 Salmon Troll Fishery (Council Agenda Item E.3., Wednesday, late morning to early afternoon)

The incidental halibut harvest allocation of 24,464 pounds is a little more than 1,000 pounds greater than the 1999 allocation. The SAS will need to recommend a range of bycatch restrictions for the troll salmon options to allow utilization of the incidental halibut harvest without undue risk of exceeding the halibut quota.

H. Oregon Coastal Natural Coho Management Review (Council Agenda Item B.5., Wednesday afternoon)

This is an update on progress made by the review team assigned to assess any needed changes in our management of Oregon coastal natural coho.

ADJOURN

PFMC
02/22/00

PROPOSED AGENDA
Habitat Steering Group

Pacific Fishery Management Council
Red Lion Hotel Sacramento
Comstock I Room
1401 Arden Way
Sacramento, CA 95815
(916) 922-8041
March 6, 2000

MONDAY, MARCH 6, 2000 - 9 A.M.

A. Call to Order — Michele Robinson, Chair

1. Opening Remarks and Introductions
2. Approval of Agenda

B. **Action Item**

1. No Actions Items

Drafts of all proposed resolutions or written comments for Council approval must be provided to the Council office at least **two weeks prior to the meeting**.

C. Informational Presentations or Updates

WEST COAST MARINE ISSUES (9:15 A.M. - 11 A.M.)

1. Marine Reserve Analysis Update (20 min.) — Jim Seger, PFMC
2. Fishing Gear Impact Work Update (20 min.) — Cyreis Schmitt, NMFS
3. Discussion: Joint Meeting with Groundfish Advisory Subpanel in April Regarding Fishing Gear Impacts (65 min.) — Habitat Steering Group

CALIFORNIA FRESH WATER ISSUES (11 A.M. - 12:15 P.M.)

4. Lake Mendocino Project Endorse Study/ Concept? (45 min.) — Park Steiner, Steiner Environmental Consulting
5. Potter Valley Project Update (15 min.) — Larry Week, CDFG
6. CalFed Project Update (15 min.) — Larry Week, CDFG

LUNCH BREAK (12:15 P.M. - 1:30 P.M.)

C. Informational Presentations or Updates (Continued)

CALIFORNIA FRESH WATER ISSUES (1:30 P.M. - 2 P.M.)

7. San Francisco Airport Dredge/Fill Update (15 min.) — Mark Helvey, NMFS
8. Upper Klamath Environmental Impact Statement Update (15 min.) — Dave Hillemeier, Yurok Tribe

OTHER ISSUES (2 P.M. - 2:30 P.M.)

9. Essential Fish Habitat Implementation and Consultation Update (30 min.) — Nora Berwick, NMFS

D. Updates on Past or Future Committee Actions (10 min.) — Habitat Steering Group

E. Habitat Steering Group (HSG) Briefings (10 min.) Habitat Steering Group

Members of the HSG may provide short informal briefings and announcements on pertinent habitat issues not on the agenda.

F. Comments of <u>Subpanel Members</u> and <u>Public</u> on Issues not on the Agenda (20 min.)

Those wishing to comment may be asked to signify their intent at the beginning of the comment period to allow a determination of the time available for each person.

G. Items For April 2000 Meeting Portland (10 min.) Michele Robinson

List and describe agenda items and assign persons responsible for arranging presentations.

H. Report of the HSG to the Council (10 min.) Michele Robinson

ADJOURN (3:30 P.M.)

PFMC
02/23/00

PROPOSED AGENDA
Scientific and Statistical Committee

Pacific Fishery Management Council
Red Lion Hotel Sacramento
Klamath Room
1401 Arden Way
Sacramento, CA 95815
(916) 922-8041
March 6-7, 2000

In addition to your briefing book, please bring your November 1999 Newsletter.

MONDAY, MARCH 6, 2000, 1 P.M.

A. Call to Order and Scientific and Statistical Committee (SSC) Administrative Matters

1. Report of the Executive Director — Don McIsaac
2. Approve Agenda
3. Approve November 1999 Minutes

A suggestion for the amount of time each agenda item should take is provided in the agenda. At the time the agenda is approved, priorities can be set and these times revised. Discussion leaders should determine whether more or less time is required and request an amendment to the agenda as needed.

Committee member work assignments are noted in parentheses at the end of each agenda item. The first name listed is the discussion leader and the second the rapporteur.

4. Subcommittee Assignments
5. Open Discussion (.5 hours)

CLOSED SESSION
1:30 P.M.

6. Confirmation of Chairman, Selection of Vice Chairman
7. Review Nominations for Coastal Pelagic Species Management Team

GENERAL SESSION
2 P.M.

B. Salmon Management

1. Review of 1999 Fisheries and Summary of 2000 Stock Abundance Estimates — Doug Milward
   (2 P.M., 1 hour, Zhou, Byrne)

2. Estimation Procedures and Methodologies
   a. Modifications to the Chinook Fishery Regulation Assessment Model — Dell Simmons, WDFW
   b. Interim Recreational Nonretention Hooking Mortality Rates — Doug Milward
      (3 P.M., 2 hours, Hill, Conrad)

4 P.M.
Public comments on fishery issues not on the agenda are accepted at this time.

A. SSC Administrative Matters

7. Review and Finalize Statements B.1. and B.2. (*Due to the Council 8:30 A.M., 03/07/00*)
   (5:15 P.M., 1 hour)

TUESDAY, MARCH 7, 2000, 8 A.M.

B. Salmon Management

5. Oregon Coastal Natural Coho Management Review – Progress Report — ODFW
   (8 A.M., 1 hour, Conrad, Thomson)

D. Coastal Pelagic Species Management

2. Pacific Sardine – Biomass Estimate and Harvest Guideline — Doyle Hanan
   (9 A.M., .5 hours, Stauffer, Hill)

3. Status of Plan Amendment (Squid Maximum Sustainable Yield and Bycatch) — Doyle Hanan
   (9:30 A.M., 1 hour, Young, Hanna)

G. Groundfish Management

2. Status Report on Strategic Plan — Cynthia Thomson
   (10:30 A.M., 1 hour, Conser, Francis)

5. Bycatch Mortality for Rockfish — Brian Culver
   (11:30 A.M., 1 hour, Jagielo, Conser)

LUNCH

A. SSC Administrative Matters

9. Review and Finalize Statements B.5., D.2., D.3., G.2., G.5.
   (1:30 P.M., 2 hours)

H. Administrative and Other Matters

4. Research and Data Needs and Economic Data Plan — Jim Seger
   (3:30 P.M., .5 hours, Thomson, Ralston)

A. SSC Administrative Matters

10. Review and Finalize Statement H.4
    (4 P.M., .5 hours)

ADJOURN

PFMC
02/23/00

DRAFT SUMMARY MINUTES
Scientific and Statistical Committee

Pacific Fishery Management Council
Red Lion Hotel Sacramento
Sierra B Room
1401 Arden Way
Sacramento, CA 95815
(916) 922-8041
November 1-2, 1999

Call to Order

The meeting was called to order at 8:30 A.M. by Chairman, Dr. Peter Lawson. Executive Director, Mr. Lawrence D. Six reported the most important agenda items for Scientific and Statistical Committee (SSC) comments to the Council would be: hook-and-release mortality estimates (C.2.); acceptable biological catch and optimum yield estimates, especially the 5% F increase (G.3.); harvest policy workshop (G.6.); stock assessment process (G.5.); rebuilding plans (G.2.).

The agenda was approved with the following changes: omitted items E.2., Pacific Mackerel Harvest Guideline; and G.10., Strategic Planning.

After revisions, minutes from September 1999 were approved.

Members in Attendance
Mr. Robert Conrad, Northwest Indian Fisheries Commission, Olympia, WA
Dr. Ramon Conser, National Marine Fisheries Service, Newport, OR
Dr. Robert Francis, University of Washington, Seattle, WA
Dr. Kevin Hill, California Department of Fish and Game, La Jolla, CA
Mr. Tom Jagielo, Washington Department of Fish and Wildlife, Olympia, WA
Dr. Peter Lawson, National Marine Fisheries Service, Newport, OR
Dr. Stephen Ralston, National Marine Fisheries Service, Tiburon, CA
Dr. Gary Stauffer, National Marine Fisheries Service, Seattle, WA
Dr. Gilbert Sylvia, Hatfield Marine Science Center, Newport, OR
Ms. Cynthia Thomson, National Marine Fisheries Service, Santa Cruz, CA
Dr. Richard Young, Crescent City, CA

Members Absent (Monday, September 13, 1999)
Mr. Alan Byrne, Idaho Department of Fish and Game, Nampa, ID
Dr. Susan Hanna, Oregon State University, Corvallis, OR
Dr. Shijie Zhou, Oregon Department of Fish and Wildlife, Portland, OR

Scientific and Statistical Committee Comments to the Council

The following text contains SSC comments to the Council. (Related SSC discussion not included in written comment to the Council is provided in italicized text).

Open Discussion

The SSC discussed its role in the Council process and the perception that the SSC lacks sensitivity to the Council process and is not providing constructive criticism, e.g., some advisory groups avoid making presentations to the SSC as they believe the feedback is neither constructive nor helpful. It was noted that there is a conflict between the SSC's principal role, critically reviewing information, and providing support for the work of other advisory entities. A possible solution would be for the SSC to more carefully frame their remarks to prevent misunderstandings. It was also noted that the SSC has been criticized for

generating statements that are primarily "questions" rather than providing solutions. The SSC views these "questions" as means to clarify the problems and facilitate solutions. It was suggested that the SSC's role is advisory, not analytical (e.g., review analyses and comment on suitability). The SSC may want to consider developing guidance that defines/clarifies the role of the SSC and the process through which it receives information and produces advice. Additionally, the SSC may want to suggest the Council provide formal feedback (e.g., performance evaluation) to the SSC, possibly holding a discussion with the Council at the March meeting.

Salmon Management

Potential Revisions to Methodologies, Including Hook-and-Release Mortality Estimates for Recreational Fisheries

Mr. Jim Packer presented two documents to the SSC outlining changes to chinook Fishery Regulation Assessment Model (FRAM) and coho FRAM proposed for the 2000 season. There are major changes proposed for chinook FRAM to allow evaluation of selective fishery proposals. There are no changes proposed for coho FRAM for the 2000 season. Because the documents were not presented until this meeting, the SSC was unable to review them.

With the major changes being made to the FRAM models to accommodate selective fisheries, and the recent addition of six new members to the SSC, the SSC currently lacks a comprehensive understanding of the salmon management and modeling process including the FRAM models. Documentation of the models is not adequate. For these reasons, the SSC is not in a position to critically review proposed changes to these models. It would be helpful if the SSC could meet with members of the Salmon Technical Team (STT) for a day or two for an introductory overview of the process. We suggest this occur in conjunction with the June Council meeting.

Dr. Robert Kope of the STT presented an analysis of hook-and-release mortality rates for chinook and coho salmon caught in marine sport fisheries. The SSC concurs with the STT that the currently used hooking mortality rate for recreationally-caught coho and chinook salmon is too low and that higher rates are appropriate. The SSC supports the methodologies proposed by the STT to arrive at interim rates for the 2000 season. The SSC recommends the use of a median rate from mortality rate studies that have been conducted in West Coast salmon fisheries since 1984. This process involves expanding short-term (within 24 hours) mortality rates to account for delayed (after 36 hours) mortality. The SSC endorses the methods proposed by the STT to determine this expansion. The SSC requests the current work group prepare a report for the March meeting that documents the data and methods used to arrive at the interim rates proposed.

Selective Fishery Off Oregon in 1999

The SSC met with Mr. Sam Sharr, Oregon Department of Fish and Wildlife (ODFW), who distributed a draft report summarizing data and observations collected from selective coho fisheries implemented in 1999 off Oregon. The SSC did not have an opportunity to review the report. However, Mr. Sharr did provide a useful overview of the report's contents, highlighting strengths and weaknesses of the program. The SSC commends the report authors for compiling what, at first glance, appears to be a comprehensive summary and analysis of the data. Of particular note was the calculation of variances for fishing effort, catch-per-unit-effort, and drop-off estimates. We encourage the authors to derive variances for hooking mortality rates also. The SSC was pleased to see the report includes gear profiles of the fleet and hook wound location frequencies.

Members of the SSC's Salmon Subcommittee will review the document by mid-January, prior to the spring management process. The SSC concurs with the authors in cautioning against using Oregon coastal natural (OCN) coho impacts described in this report for management in the 2000 season. Estimation of OCN impacts was not among the goals of the selective fishery program and should not be interpreted as final post-season estimates.

Process for Reviewing Oregon Coastal Natural Coho Salmon Management Program in 2000

Mr. Sharr briefed the SSC regarding the ODFW proposal for reviewing the OCN coho salmon management program. ODFW will convene a planning and strategy session in late November 1999 to identify key biological and technical issues and will assign work groups to address these issues. A progress report will be made available to the Council family at the March 2000 meeting. The SSC supports ODFW's efforts and looks forward to receiving this report in advance of the March meeting.

Groundfish Management

Fishery Management Plan Amendment for Stock Rebuilding and Specific Rebuilding Programs for Lingcod, Bocaccio, and Pacific Ocean Perch

The SSC reviewed all briefing materials on this subject and concluded that, since the conclusion of the September Council meeting, no substantive changes have occurred to the specific rebuilding plans of lingcod, bocaccio, and Pacific ocean perch. At its last meeting the SSC made a number of general comments and recommendations about the construction of rebuilding plans, as well as the specific rebuilding projections for the three overfished stocks.

There is a requirement in the proposed framework fishery management plan (FMP) amendment that all rebuilding plans must be reviewed at least once every two years. There are certain to be instances where a full analysis of stock population dynamics that incorporates significant new sources of information will not be possible every two years. The SSC concluded that in those cases a simple review of landings in the context of rebuilding projections, along with a summarization of existing trend information, may suffice to meet the requirement of a biennial review. This type of simple review, however, will not eliminate the need for full and detailed stock assessments to be conducted on a periodic basis, with a frequency dictated by the availability of new data, the dynamics of the stock, and the needs of management.

The SSC was not presented with any proposed regulatory options designed to meet specific rebuilding targets. Nonetheless, such management measures are an integral part of stock rebuilding plans, as specified in the framework FMP amendment. Therefore, at the time the SSC reviewed these rebuilding plans they were not yet complete. The SSC also recommends that all rebuilding plans should include an explicit statement of the expected yield after rebuilding is completed (i.e., the maximum sustainable yield [MSY] of the stock).

Under the national guidelines for implementation of the Sustainable Fisheries Act, stocks are rebuilt when they recover to a biomass level equal to B_{msy}, which is the stock size that produces MSY when fished at a rate equal to F_{msy}. Under the 40-10 harvest policy currently in use by the Council, a biomass equal to 40% of the unexploited biomass is a proxy estimate of B_{MSY}. The SSC recommends that improved methods of accurately estimating B_{msy} be developed to reduce reliance on generic proxy estimates, at least in situations where the data warrant.

Final Harvest Levels for 2000

The SSC reviewed the Groundfish Management Team (GMT) final optimum yield (OY) recommendations for groundfish in 2000, with a focus on species where the GMT final OY differed from the preliminary Council OY. In most cases, the difference is due to the GMT recommendation to reduce OY's for all species except flatfish and whiting, because of revised F_{msy} proxies for these species. This change would increase the spawning potential per recruit (SPR) values used in calculating the OY's by 5% (e.g., from $F_{40\%}$ to $F_{45\%}$ for *Sebastes*). The SSC supports this recommendation, because the best available data indicate these West Coast groundfish species are less productive than previously estimated. This change should not be viewed as a precautionary adjustment, but rather as an improvement in our understanding of West Coast groundfish productivity.

The SSC also discussed the issue of whether there has been "double" application of the precautionary principle in GMT groundfish management recommendations. The precautionary approach is evident in three areas, (1) the 40-10 policy used to reduce exploitation rates below the routine F_{msy} harvest rate when

stock biomass falls below a "precautionary threshold" of $B_{40\%}$, (2) the 50% reduction which is applied to unassessed rockfish species where historical catch is used as a proxy for acceptable biological catch (ABC), and (3) the 25% reduction that is applied to rockfish when the F=M approach is used to obtain ABC. The SSC does not find duplicative application of the precautionary principle by the GMT. The SSC also reaffirmed that stock assessment authors have been directed to produce assessments that are risk-neutral. This policy has been applied as a routine part of the Stock Assessment Review Team (STAT)/Stock Assessment Review (STAR) Panel process, and is an integral component of the stock assessment terms of reference.

Comments on specific species are as follows:

The SSC supports the GMT recommendation for shortbelly rockfish. Evidence of poor recruitment since 1989 supports the reduction of this OY to 13,900 mt coastwide.

The SSC supports the chilipepper OY of 2,000 mt, derived from recent average landings (1992 through 1997). This management measure will help to reduce unintended bycatch of other groundfish, which are subject to severe reductions as part of a stock rebuilding plan.

The SSC recommends the OY of shortspine thornyhead be established based on an SPR rate of $F_{45\%}$, rather than the GMT recommendation of $F_{40\%}$. It appears to be inconsistent to recommend higher exploitation rates for this slow growing species when the F_{msy} harvest proxy of $F_{45\%}$ has been recommended for other rockfish species.

Review of Stock Assessment Process and Stocks to be Assessed in 2000

Following the joint session on the groundfish stock assessment process, the SSC discussed issues on the process with Ms. Cyreis Schmitt from the National Marine Fisheries Service (NMFS) who coordinates annual West Coast groundfish stock assessments and reviews. Several new issues arose during this discussion. First, any stock assessment analyses commissioned by private groups must be included in the STAR process to be used by the GMT and Council in establishing annual harvest specifications. In addition, it is critical that any assessment documents produced by private entities must be completed following the STAR meeting and be incorporated into the Council's annual stock assessment and fishery evaluation (SAFE) document. The coordinator has started to update the annual assessment calendar; the final calendar will be completed once the dates for the three STAR Panel meetings are final. The SSC partnership with the coordinator has worked very well. However, one improvement would be to have the coordinator convene the presentation of the stock assessment reports to the Council. In the past three years, the SSC has arranged for independent anonymous reviews of prior stock assessment reports which have not been subjected to the STAR review process. There will be no need for any anonymous reviews this coming year. For new stocks which are projected by the STAT to fall below overfishing thresholds, the STAT teams need to be instructed to estimate the SSC's baseline rebuilding parameters, specifically:

- Determine B_o as the product of SPR in unfished state multiplied by the average recruitment during early years of fishery.
- Recruitment during the earliest part of the record for the stock.
- $B_{msy} = 0.4\ B_o$.
- Mean generation time.
- A forward projection using recruitment based on Monte Carlo sampling from a recent time series of recruitment estimates.

We recommend the terms of reference and the Outline for Groundfish Stock Assessment Documents for 2000 be modified to include all of the above items.

By December 1, the SSC Groundfish Subcommittee chairman will assign members to the three proposed

STAR panels and notify the Council and NMFS.

The STAR process was specifically developed after a long and involved negotiation among the Council's groundfish entities, SSC, and NMFS to resolve the problem of providing independent and comprehensive review of stock assessment reports. The STAR process, as currently structured, is not designed to review rebuilding plans or monitor rebuilding progress. The Council's Ad-Hoc Groundfish Allocation Committee took the lead in initiating the preparation of the Council's three rebuilding plans. The SSC took the initiative to develop guidance and standard procedures for these plans. The Council needs to establish procedures to initiate and review rebuilding plans and monitor and report on rebuilding progress of overfished stocks.

Terms of Reference for the Harvest Policy Workshop

An estimate of the fishing mortality rate associated with maximum sustainable yield (F_{msy}) is an intrinsic element of all FMPs developed under the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act). For the Council's groundfish FMP, a reliable F_{msy} estimate is especially important since it forms the baseline for implementation of the "40-10" harvest policy control law used to determine ABC levels for all species covered by the FMP.

There are significant conceptual and statistical difficulties in directly estimating an F_{msy} level for many West Coast groundfish stocks. To circumvent these difficulties, the Council has employed a proxy for F_{msy} based on SPR concepts (e.g., $F_{35\%}$), which is the instantaneous fishing mortality rate that reduces lifetime reproductive output of a typical female in the population to 35% of what it would be in the absence of fishing. The primary advantage of a SPR-based proxy for F_{msy} is that it is relatively easy to calculate from the basic life history information that is commonly presented in stock assessment documents. The current Council proxies for West Coast groundfish are $F_{40\%}$ for *Sebastes* species and $F_{35\%}$ for other groundfish.

Recent scientific studies have suggested that the proxies currently used for West Coast groundfish may overestimate the true F_{msy} for these species. The SSC will convene a Harvest Rate Policy Review Workshop to address this issue. The review will be chaired by Dr. Steve Ralston of the SSC. It will be held at the NMFS Alaska Fisheries Science Center (Seattle, Washington) during March 20-24, 2000.

The formal review panel will consist of five scientists (in addition to the Chairman) (1) two additional SSC members; (2) two external experts; and (3) one expert from within the West Coast groundfish scientific community. In addition, the GMT and Groundfish Advisory Subpanel (GAP) will each designate one representative to contribute to the review, but the GMT and GAP representatives will not serve as formal panel members. The principal investigators involved in recent scientific studies on this issue will be invited to present their work to the review panel. The process will also be open for other scientists to present relevant work to the review panel (at the discretion of the Chairman).

The terms of reference for the review panel are:

- Review the current body of existing scientific work and any additional (relevant) work presented during the review panel meeting. All scientific contributions must be well documented with draft papers provided to the review panel well in advance of the meeting.

- Evaluate the appropriateness of the current Council F_{msy} proxies (i.e., $F_{40\%}$) for *Sebastes* species and $F_{35\%}$ for other groundfish.

- If the current proxies are not appropriate, suggest alternative harvest rate policies consistent with the requirements of the Magnuson-Stevens Act and the Council groundfish FMP objectives. Such alternatives may include, but are not limited to, alternative F_{msy} proxies (such as $F_{50\%}$ or some other level). Review panel suggestions on closely related management reference points are encouraged (e.g., on the direct estimation of B_{msy} or its proxy).

- Suggest procedures for incorporating uncertainty, risk, and the precautionary approach in establishing harvest rate policies.

· Provide a comprehensive report to the SSC and the Council that clearly documents the findings and recommendations of the review panel.

Significant funding will be required to support the Harvest Rate Policy Review. As with the STAR Panel process, the Council should anticipate the need to cover travel costs for the nonfederal SSC, GMT, and GAP participants. Additional funding sources will need to be identified for the three non-SSC Review Panel members.

Groundfish Priorities and Schedules

Mr. Jim Glock reviewed the Council's groundfish priorities and schedules.

The SSC encourages the Council to avoid formalizing its groundfish priorities (especially for issues below the line in Attachment G.11.a.) until the Council's strategic planning process has been completed.

Capacity reduction has been a high priority issue for the SSC and other Council advisory entities for several years and should be included as a high priority issue (above the line) in the Council Work Plan (Attachment G.11.a.). The SSC Economic Subcommittee is willing to prepare a discussion paper documenting the overcapacity problem and outlining potential ways the Council may want to proceed on this issue.

Public Comment

There was no public comment.

Adjournment

The SSC adjourned at approximately 6:30 P.M., Tuesday, November 2, 1999.

Research and Data Needs (ongoing list)

1. Systematic review of salmon run-size predictors; evaluation of forecasts through hindcasts. (Resulting from March 1997 discussion on stock abundance estimates and preseason forecasts.)

2. Localized depletion of groundfish stocks, especially Dover sole and shortspine and longspine thornyheads, may occur at low abundance levels. The SSC recommends the GMT consider using area-specific harvest guidelines for these species. (From November 1997 discussion on 1998 harvest levels.)

3. It may be possible to increase harvest levels while still meeting target mortality fishing rates such as $F_{35\%}$ by deliberately managing the range of age and lengths targeted by the fishery. For example, avoiding capture of young Dover sole who have not yet realized their entire growth by shifting fishing effort in deep water might make larger catches possible. Effects on enforcement and other species would have to be considered. (November 1997.)

4. A recruitment survey for whiting would help reduce uncertainty in the stock assessment. (The SSC agreed that a more comprehensive discussion of research needs to support groundfish stock assessments was necessary, including how to integrate social and economic analyses into the assessment and how to analyze management histories from the assessments.) (November 1997.)

PFMC
02/23/00

SUMMARY MINUTES
Scientific and Statistical Committee
Economic Subcommittee

Pacific Fishery Management Council
2130 SW Fifth Avenue, Suite 224
Portland, OR 97201
(503) 326-6352
January 13-14, 2000

Call to Order

The Scientific and Statistical Committee's Economic Subcommittee met to develop a discussion paper about overcapacity in West Coast Groundfish fisheries and potential ways the Pacific Fishery Management Council (Council) may choose to reduce capacity. The meeting was called to order at 1:00 P.M. by Dr. Gil Sylvia. Dr. Sylvia reviewed the agenda, discussed the schedule for preparing the report, and presentation of an initial draft to the Council's Ad-Hoc Groundfish Strategic Plan Development Committee.

The agenda was approved and participants and the public introduced themselves.

Members in Attendance
Dr. Susan Hanna (via telephone)
Dr. Gilbert Sylvia
Ms. Cynthia Thomson
Dr. Richard Young

Participants
Mr. Dan Waldeck, Council staff
Dr. Steve Freese, National Marine Fisheries Service
Dr. Jim Hastie, National Marine Fisheries Service
Mr. Rod Moore, West Coast Seafood Processors Association
Mr. Jim Seger, Council staff
Dr. Hans Radtke, Council member
Mr. Shannon Davis, The Research Group
Mr. Gerald Gunnari, Coos Bay Trawler Association

The following text contains a summary of the meeting minutes organized per the sections of the subcommittee's discussion paper.

Section 1 – Dr. Hanna discussed the organization and content of the section she was drafting. This section will describe capacity reduction in a general sense and highlight that Council's capacity reduction initiative is occurring within the larger context of national and international capacity reduction programs. The group briefly discussed the inclusion of specific capacity reduction targets included in the National Marine Fisheries Service Strategic Plan.

Despite numerous national and international projects, few effective solutions to the capacity reduction problem have been developed. The apparent contradiction between reducing commercial capacity while expanding recreational fisheries was noted as a potentially important issue.

This section will also characterize the nature of the problem, including: efficiency and equity; exit mechanisms that preserve dignity, parity, equity; interplay of capacity reduction with other programs.

Generally, overcapacity is a barrier to rebuilding, increases the cost of management, and reduces flexibility (for managers and fishers). Also address "who cares," "why does it matter" questions.

Section 2 – Dr. Sylvia discussed his section of the report, which will summarize alternatives to reduce capacity based on a literature review. He noted the general issues discussed in current research, but noted that, generally, evaluations of program effectiveness and goal achievement have not been carried out.

Most research focused on buybacks and critiques of their effectiveness. And, typically, were based on the principles in the United Nation's Food and Agriculture Organization's Code of Conduct for Responsible Fisheries, and aim to conserve the productive capacity of the stocks while providing sustainable utilization.

Dr. Sylvia outlined the general strategies available to the Council 1) buyback – vessel, license, effort – funded by government, industry, or combination; 2) rights-based – IQ, permits, licenses, permit stacking; 3) elimination of subsidies ("socially perverse incentives"); 4) do nothing – under status quo, slow exit from fishery.

He noted the Council may also want to consider (anticipate, eliminate if possible) spill-over effects into other fisheries or at least look at options to minimize these effects.

Research indicates that buybacks have not had enough effect on capacity – approximately 10% to 15% reductions, usually a much larger reduction is required to rationalize capacity.

In sum, 1) goals and objectives should be structured carefully and explicitly, including time horizon and measurable objectives; 2) government sponsored buybacks, generally, not very successful in significantly reducing capacity; 3) rights-based and effort-based programs tend to be more effective (this depends on the strength of the right or privilege, and transferability). Need a fair amount of transparency to evaluate effectiveness.

Other considerations – spill-over effects (leakage); coordination with state-run fisheries; reducing capacity may make it easier for a fisher to focus effort on one fishery, rather than scraping along in several fisheries, as access to preferred fishery is increased (guaranteed).

Enforcement and monitoring difficulty increases with management complexity, requires monitoring in fishery with capacity reduction and associated fisheries to track leakage effects.

Section 3 -- Ms. Thomson (with accompaniment by Dr. Hastie) reviewed her section, a review of the current situation, focused on commercial sector – an historical retrospective.

Trends: total landings have increased, but revenues decreased. Examination of why these trends occurred: 1) trends in stock abundance; 2) regulatory changes; 3) recent restrictions, e.g., FMP Amendment 11, F_{msy} change, 40-10 harvest policy, harvest rate policy change.

A constraint on the effectiveness of the current capacity reduction program (limited entry) was latent effort, e.g., many trawl permits (transfer of 100 limited entry permits to 10 whiting catcher-processors) were latent effort, largely unused permits, which are now active in the fishery.

Dr. Hastie's analysis indicated the number of vessels needed to harvest the year 2000 groundfish OY would be less than 20% of current effort/capacity. The least conservative estimates indicate that less than 50% of current capacity is needed to harvest current OY.

Even crude estimates indicate the magnitude of the over-capacity problem and provide some guidance in terms of how big a reduction is needed. Rough estimates also show relative stability in fleet size, but marked declines in allowable harvest.

Section 4 -- Dr. Young discussed the fourth section of the paper, which will include a review of several management approaches within the context of the internal and external forces acting on the Council process, and a decision-matrix of the various alternatives.

The Capacity Reduction Goals (based on the goals in the Groundfish Fishery Management Plan)

1. Conservation (MSY).
2. Economics ("community," firm, profits).
3. Utilization ("full use," maximum "social" value, reducing discard).

Scenarios

1. Do nothing -- status quo.
2. Buyback.
3. Permit stacking.
4. Individual quota.
5. Group quota (community, cooperative, industry).
6. Combination of strategies.

States of Nature (based on allowable catch)

1. Static (status quo) for the next 20 years.
2. Increasing over the next 20 years.
3. Decreasing over the next 20 years.

Key Issues (highlight how management actions under each sate of nature will affect these issues)

1. Time horizons -- a) 0 - 5 years; b) 20 years into the future.
2. Impacts on the four fleets -- with consideration of recreational sector.
3. Recreational fishing harvest.
4. Management costs.
5. Policy uncertainty.
6. Market unpredictability.
5. Transition.
8. Leakages, spill-over effects.
9. Industry response.

Definition of CAPACITY -- individual capacity: amount of fish an average vessel could catch per unit time (T); fleet capacity: aggregate individual capacity. Complications -- cost of catching fish at time (T) magnitude of stock at time (T).

Scenario I -- static states of nature -- assume trip limits and year-round fishery.

Does not mean nothing changes, but current process continues as is, with present control mechanisms, assessments, trip limits, limited entry, bankruptcy exits (default capacity reduction), static number of vessels, licenses, increasing economic disruption within community, slow persistent leakage of capital out of community, remain highly vulnerable to natural perturbations (climate), fewer domestic fisheries for vessels to shift effort between (i.e., no other fisheries for excess vessels to shift effort to).

In the past, with fewer vessels (less capital, less participation) there was greater opportunity to shift to other fisheries (other species, undercapitalized) -- "sponge" for excess effort no longer exists -- also limited entry management in many fisheries locks-out new entry.

Impacts on the Four Fleets

Could be decline in number of boats, because trip limits not profitable.

May be some transfer to other fisheries, an increase in "generalists," and many own permits in a variety of fisheries, but opportunities in other fisheries also scarce. May result in overall fewer vessels in all fisheries.

Conclusion for impacts on industry -- buyback is criticized because of concern about spill-over effects into other fisheries, but at status quo it is likely, over time, effort will leak into other fisheries by default as fishers are forced to diversify.

May be great reduction (from slow, bankruptcy exit) in the fleet; lesser effect on fixed-gear fleet, but some decrease. In the open-access fleet, many fishers heavily dependent on *Sebastes*, with lower and lower limits under status quo these fishers will be devastated.

Rank of impacts -- high to low -- 1) open access; 2) limited entry fixed gear (hook and line); 3) limited entry trawl (those dependent on *Sebastes*).

Management/Enforcement Costs

Increase in cost borne by managers, less revenue in fleet to finance management; enforcement costs increase as micro-management increases; consistent increase in the amount of time and money required to find solutions.

Policy Uncertainty

Will increase under status quo; continued weak access privilege; less flexibility for operators to adapt.

Industry Response

Changing vessel size or power not likely, not much cost difference to maintain 60' versus 70' boat; 2) safety decreases, with decreasing profits, safety will become optional rather than standard practice; 3) may see greater shift toward owner/operator to maintain profitability; and 4) more deferred maintenance.

Vessels that can cover variable costs will remain in the fishery, may see shift to smaller vessels ('pocket trawlers") fishing a lesser amount but higher diversity of species at lower variable cost.

May see limited development of niche markets, specialized markets, direct marketing -- each requires smaller vessel to keep variable costs down.

For vessels and permits, because permits are so inexpensive to renew, even if vessels go bankrupt, permit holders will hold onto permits in speculation of future improvements in stocks or increased permit value. May see speculative market develop for permits.

Year-round fisheries -- what effect?

Because of increase in minor fisheries and exclusive area fisheries, may alter year-round fisheries.

If less emphasis on year-round fisheries, greater opportunity to raise trip limits and, thus, reduce discards. Larger limits for specified time periods -- or -- continue year round emphasis, continued stock decline, increasing discard.

Status quo causes -- 1) increasing management complexity especially in meeting legal mandates; 2) increased need for diversification; 3) may effect efficiency.

Utilization

Addition of observers to monitor utilization (discard) will add additional burden, further reducing profits and participation.

Under status quo, lower cumulative catch limits will result in higher discard rates regardless of observer coverage.

Noted that increase in "part-time" fishers could result in less knowledgeable operators, less ability, less

efficiency, more waste.

Community Impacts

Assume year-round fisheries still in effect.

Already transition in port communities from fishing to other recreation, tourism, marinas; but many communities still heavily dependent on fisheries -- few other economic options.

Groundfish is the "glue" that brings profit to many port communities, a transition fishery between salmon, crab, and other fisheries. Possible that without groundfish opportunities that, over time, infrastructure will break down from lack of maintenance.

May see consolidation of ports, at lower harvest levels, participants will exit, leaving more fish for remaining players. Could also see "buying-stations" replacing processing plants in some ports.

Utility prices could be affected -- currently, in some areas processing plants, by paying higher water and power rates, subsidize lower utility rates for the public. With loss of plants, rates could go higher.

Technology

Continuing declines in firm's profits, but technology could (if technology increases) dampen impact.

Technological Improvements -- 1) lower cost to attain trip limits; 2) more vessels will be able to achieve trip limits, which will force trip limits lower.

Limits on effect of technology -- e.g., minimum size vessel to prosecute some fisheries, limits flexibility, technology won't change this effect.

Transition

Ultimately moving to worse condition, no transition strategy, more reactive, increased rigidity.

Scenario II -- Buyback -- under static harvest state of nature

Assume low (decreasing) allowable harvest, low (decreasing) money available to fund.

Uncertainty about form buyback will take, especially funding (industry, federal, combination).

Participation is tied to investment in operation, this influences willingness to participate in buyback. Value is not simply based on permit value, but the suite of investments tied to the permit (sunk capital).

Buyback must specify whether focus is on buying permits or vessels and other capital investment. Additional difficulty is identifying and targeting "effective capital," rather than retiring latent capacity, diminished effect.

New England experience -- not that effective, only $25 million, did not target effective capital.

General issues -- need to buy enough permits to make a difference, need solid commitment to make real reduction in effective capacity.

In order for industry to repay government-backed buyback loan, permits will have to be purchased below the current average price.

Discussion of disaster relief and Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act) section 312 funds -- requires 25% state match, states may then require say about how moneys are spent, potentially complicating Council process. Additionally, West Coast groundfish is a low priority for section 312 funds, New England fisheries, Washington state, crab, and others have greater preference.

New analysis is needed of earning opportunity/expectation and retirement likelihood before evaluation of costs of industry-funded buyback can be done.

KEY -- in reality, it takes five years or more to get from planning process to implementation, if going to conduct buyback (or any other capacity reduction program) must initiate process immediately.

Goal is the greatest reduction at the least financial and social cost. Upwards of a 50% reduction in effective capacity is required.

Impacts on the Four Fleets

Are all four fleets equally affected?

Capacity reduction is needed in each sector, upwards of 50% could be needed. Should spread buyback across sectors, if focused on single sector greater potential for spill-over effects.

Management/Enforcement Costs

Buyback will be difficult (funding, administration, effective capacity, etc.)

With 50% reduction in number of permits, costs of management, and enforcement decrease.

Policy Uncertainty

Industry Response

Current permit value may be over-inflated because of speculation that federal buyback is inevitable, expectation that federal government will buyback permit at higher than present value. Current permit value tied to past experience and future expectations, therefore, permits perceived to be of high value. Thus, fishers do not sell and number of permits stays static.

As long as expectation is that buyback will be at higher than present value, and cost to maintain permit is nominal, fishers will be reluctant to sell or let permits lapse.

Who would be likely to participate in buyback? Those with more diverse operations may place less value on groundfish permits and may be more willing to sell.

False expectation of high permit value affects willingness to sell -- over time this expectation may change, especially realization that federal government is unlikely to provide funding. Without change in expectations, industry-funded buyback will be difficult, too expensive, low participation.

Allocation issue within industry needs to be settled before buyback viable.

Who leaves? Typically, individuals with the least long-term value expectation participate.

Market Predictability -- with fewer vessels, predictability is increased, more revenue is captured and flexibility increases.

Leakages

Will occur, but should realize that leakage also occurs under status quo. The question is, how comparable will the effects be?

Difference between leakage under status quo and buyback is that under buyback, leakage occurs over a shorter period, makes it more real and potentially less palatable.

Utilization

Assuming cumulative limits accurately reflect available harvest, fleet reductions from buyback will increase available harvest to remaining participants, utilization improves as discards decrease.

Buybacks could produce increased trip limits, less discard -- observers will be required to document discard reduction (a profitable industry can more easily afford observers), observer data improves assessments, long-term benefit to industry (and community).

Community Impacts

Question to processors -- does it matter to have 300 vessels scrapping along or 130 vessels in a more rational fishery? Answer depends on how product flow changes; with fewer boats, deliveries may be concentrated in certain areas or at certain times of the year. Could result in less flexibility for processing sector.

Noted that under any SCENARIO that reduces capacity, consolidation is likely, with resulting community impacts.

Technology

Minimize costs to harvest/process fish, rather than increase competitive advantage ("race to fish").

Transition

Scenario III – Permit Stacking -- under static harvest

Latent effort concern -- latent permits are most likely the permits that will be "stacked," therefore, entry of later effort will decrease trip limits for current participants. Current participants could be harmed by permit stacking, depending on how program is designed.

Stacking is very complex -- not a simple fix, need to account for all variables, costs, and benefits -- latent capacity, allocation between "stacked" fleet and unstacked fleet.

Will stacking be mandatory, may be the only way to reduce effective capacity, e.g., to participate a vessel must have two equivalent permits (or permits that add up to two equivalent permits) to participate in the fishery, this could reduce capacity by half.

Council has autonomy to implement permit stacking, thus, it may be a more feasible option, but this doesn't mean that it is not a highly complex process.

Should consider if stacking is voluntary or mandatory -- very different effect.

Allocation is a critical issue regardless of capacity reduction program implemented.

Impacts on the Four Fleets

Depends on structure of program, voluntary or mandatory, etc.
Dr. Hastie's discussion paper of permit stacking will be a useful reference.

Because we cannot predict effect of stacking on capacity, it is difficult to evaluate affect on other factors, as it depends on the program structure.

Unless mandatory, there may be an inherent lack of permanency to capacity reduction, as, over time, vessels can choose to stack or not to stack -- that is the question.

If stacking reduces capacity (e.g., by 50%), the positive and negative impacts discussed above (other Scenarios) may also occur.

For stacking to be effective, it should be spread across all sectors.

Management/Enforcement Costs

Stacking may represent less burdensome management change (less cost) than other capacity reduction programs.

Policy Uncertainty

Industry Response

Industry perspective -- not a lot of call in the industry for stacking, may be greater interest in multiple vessel companies.

Can't predict industry response, depends on program design.

Leakages

Effects will be comparable to other capacity reduction programs if reduction is comparable.

Advocates of stacking (as preferable to buyback) may not realize that stacking has similar leakage (spill-over) effects, and that the design of the program will influence the dimension of the leakage. Also, stacking may be very complex to design.

Utilization

Community Impacts

Noted that under any SCENARIO that reduces capacity, consolidation is likely, with resulting community impacts.

Technology

Transition

Scenario IV -- Individual Fishing Quota (IFQ) -- under static harvest

Key issues of IFQ programs 1) initial allocation problematic (fairness, equity); 2) transferability is critical for market forces to develop; 3) observers to monitor catch; 4) complexity decreases the fewer species involved.

Perception of ownership can hinder or enable of IFQs, depending on whether you have ownership or perceive that someone else does.

Transferability is key to prevention of creating closed class, i.e., blocking new entry.

Impacts on the Four Fleets

Management/Enforcement Costs

Management, because of complexity, may be more costly. Cost could be defrayed by fees tied to quota shares.

IFQ in multi-species fisheries will require observers, especially if trip limits on depressed species limit the ability to catch other species in the complex, the value of catch overages not simply the value of the fish, but of the value of all other species foregone because of overage.

Tracking and accounting costs will increase as layers of ownership increase. Enforcement costs increase, but over the long -term may be able to align incentives to reduce costs.

Policy Uncertainty

Industry Response

Possible that under IFQ, each fisher would structure their quota based on their particular market.

IFQ provide stronger access privilege -- predictable ownership, will industry develop least cost methods to monitor catch, monitor performance of other fishers (e.g., Sea State in whiting co-ops).

In best case, IFQs increase adaptability and efficiency, and encourage adoption of cost minimizing technology.

Leakages

Potentially, more leakage because of flexibility to arrange fishing to suit market.

Utilization

Depending on program structure (incentives, monitoring/enforcement) discards could increase or decrease. Possible that, over time, owners of quota will cooperate to maximize individual benefit and social welfare (i.e., cooperate to reduce discards, share observer/management costs).

Community Impacts

Noted that under any Scenario (except status quo), consolidation is likely, with community impacts.

May depend on amount of quota consolidation, tied to caps on percent of quota ownership.

Market Flow -- may be affected if plants and boats cooperate.

Role of processors needs to be defined up-front, processors will require some certainty/predictability for processors to agree to management system.

Technology

Transition

Scenario IV – Group Quota Share

How would they be structured in a multi-species fishery? How much central control? How much de-centralized control?

Require methods to track use of individual shares and group shares, may require combination of government and group controls.

Allocation concerns still hold sway.

Capacity reduction will depend on co-operative to reduce capacity, requires internal mechanism for choosing who will fish and who will stay on the beach. Will depend on the goals of the group, which should mesh with Council and government goals.

Socially, this can be a very difficult management model as groups are forced to decide how to allocate amongst themselves, especially when it comes to reducing capacity (participation) -- communities may be hard-pressed to make hard decisions about who stays and who goes. On top of that complexity, management oversight will still be required to ensure capacity reduction and compliance. Layers of internal and external controls will be necessary. Costs of decision-making may be transferred from government to communities.

Incentive for group cooperation is to maximize the long-term value of "groups" allocation, enhancing wealth, and mechanisms for achieving goals.

Defining groups also a knotty issue, e.g., 265 non-whiting trawl vessels, how is the group defined (sectors, regions, area, community, subset of community), who speaks for the group?

Co-operatives viable, because of current moratorium on IFQs.

Complexity decreases as number of participants decrease, very complex in a multi-species, multi-sector fisheries.

Management costs will be higher if groups/cooperatives have differing goals or internal management.

Cooperatives or group quota will probably not have as great an effect on capacity as other scenarios.

Scenario VI -- Combination Strategies

If choose IFQs, allocation could be overwhelming, some type of precursor to reduce capacity may be necessary, e.g., buyback -- initial allocation struggles could be reduced if number of players has been previously reduced. Also, initial allocation could be simplified by compensating those who don't receive quota shares or are displeased by shares received.

Summing Up

What system will provide the greatest flexibility to adjust to stock increases?

Does Council want a management system that relies more on controlling inputs (effort, capacity) or controlling output (harvest). Suggested that input control much more complex than output control.

Managers will never have as much information as individual operators, best management system would provide some decision-making authority (especially over economic decisions) to operators.

Flexibility may be better maintained with stacking (vs. buyback), stacked permits provide flexibility to unstack (increase capacity) in the future in response to increases in allowable harvest.

Practical options (today) -- 1) permit stacking (mandatory better than voluntary in reducing capacity); 2) industry-funded buyback.

Other options -- 1) establish "priority system" for removing permits from the fishery; 2) year-round trip limits (except for finding that they approximate IFQs, and are illegal under Magnuson-Stevens Act, but ruling could change).

Equity -- how equity is determined/perceived and who gets compensated is major determinate of success

and palatability. Mechanism for compensation is a major question. If able to compensate, may be easier to achieve capacity reduction

If individual cost of fishing is not borne by the individual, economic efficiency will not occur. Speaks directly to inefficiencies of subsidies (social perverse incentives).

In the near future, need to decide on management type and initiate development, especially because of the lag between development and implementation, approximately five years.

Management mechanisms tied to markets are desirable over political-driven mechanisms.

Mandatory permit stacking may be best first option -- most preferable may be to let industry figure out permit stacking program, with analysis provided by select committee.

Need interim steps toward long-term goals -- mandatory permit stacking may be better over the long term, but voluntary permit stacking may be simpler to implement, even though long-term optimal management may not be achieved.

Locking quota to a gear type may dampen efficiency -- need to have liberal transferability to ensure diversity and ease entrance/exit -- may be facilitated by have different "classes of quota, which would limit how quota can be combined, decreasing consolidation concerns -- ownership caps may also be required.

Key Concerns/Considerations

Several key points were noted during the meeting:

- How is benefit defined?

- How to get largest reduction in (effective, not latent) capacity at the least cost?

- When determining catch history, is history tied to catch in directed fishery or total catch (i.e., including bycatch amounts)?

- Reducing capacity is not about realigning trip limits or programs aimed at resource conservation, rather it is the larger need to make the fishery more rational, which among its pay-offs will include improved resource conservation.

- Issue of latent capacity needs to be thoroughly considered in designing capacity reduction program, best to aim measures at reducing effective capacity, must be able to quantify all shades of capacity.

- Programs to reduce commercial capacity could be viewed as implicit re-allocations of fish to recreational sector.

- Leakage (spill-over) effects need to be considered during development, otherwise approval and implementation will be hampered by fears that capacity reduction in fishery A will affect fishery B.
- Will have to make many assumptions in the analysis, will have to narrow focus on groundfish fishery while assuming that groundfish capacity reduction will affect other fisheries. At least, acknowledge linkage between groundfish and other fisheries, and limits on Council control of other fisheries (e.g., international, highly migratory species, state-fisheries, tribal-fisheries).

- Any analysis will be constrained to certain years, because there have been punctuated changes in the fishery in response to climatic or political events, e.g., 70's end to foreign fishing, '82-'83 El Nino driving shifts in fisheries (shrimp down, effort to groundfish), markets have changed over time.

- What capacity related program will allow adjustments in response to changes in any of the variables and still allow maximum stocks, diverse community, stable industry, and profit?

· If management costs are to be borne by the industry; requires healthy, stable industry to provide funds.

· Participation in buyback tied to investment in operation, this influences willingness to participate in buyback. Value is not simply permit value, but suite of investments tied to the permit (sunk capital).

· In reality, it takes five years or more to get from planning process to implementation, if going to conduct buyback (or any other capacity reduction program) must initiate process immediately.

· Who leaves? Individuals with the least long-term value expectation participate in buybacks.

· Allocation is a critical issue regardless of the capacity reduction program implemented.

· IFQ in multi-species fisheries will require observers, especially if trip limits on depressed species limit the ability to catch other species in the complex, the value of catch overages not simply the value of the fish, but of the value of all other species foregone because of overage.

· Perception of ownership can hinder or enable of IFQs, depending on whether you have ownership or perceive that someone else does.

· Does Council want a management system that relies more on controlling inputs (effort, capacity) or controlling output (harvest)? Suggested that input control much more complex than output control.

The meeting adjourned at 4:00 P.M. Friday, January 14, 2000.

PFMC
7/29/14

PROPOSED AGENDA
Budget Committee

Pacific Fishery Management Council
Red Lion Hotel Sacramento
Almanor Room
1401 Arden Way
Sacramento, CA 95815
(916) 922-8041
March 6, 2000

MONDAY, MARCH 6, 2000 - 1 P.M.

A. Call to Order and Approval of Agenda	Jim Harp, Chair
B. Executive Director Report	Donald McIsaac
C. Status of 2000 Supplemental Funding	John Rhoton
D. Report of 2003 Council Meeting Hotel Locations	Kerry Aden
E. Legislative Update	Dave Hanson
F. Other	

ADJOURN

PFMC
02/23/00

PROPOSED AGENDA
Salmon Technical Team

Pacific Fishery Management Council
Red Lion Hotel Sacramento
Sierra B Room
1401 Arden Way
Sacramento, CA 95815
(916) 922-8041
March 6-10, 2000

MONDAY, MARCH 6, 2000 - 8 A.M.

A. Call to Order — Doug Milward

1. Role Call (Sign Attendance Roster)
2. Review of Agenda

The Salmon Technical Team (STT) has no formal meeting agenda, but meets as necessary throughout the week to complete the development and analysis of the Council's fishery management options and other issues as needed. Anyone desiring to formally address the entire STT should make arrangements to do so through the STT Chair, Mr. Doug Milward.

B. Review of 1999 Fisheries and Summary of 2000 Stock Abundance Estimates (Council Agenda Item B.1., Tuesday morning)

The STT Chair is scheduled to review this topic with (1) the Scientific and Statistical Committee (SSC) at **2 p.m. on Monday** and (2) before the entire Council **Tuesday morning at 8 a.m**. The STT should be available on Monday morning to answer any questions the Salmon Advisory Subpanel (SAS) may have with regard to last year's fishery and this year's abundance projections.

C. Estimation Procedures and Methodologies (Council Agenda Item B.2., Tuesday, late morning)

The STT chair is scheduled to discuss the STT nonretention mortality recommendations with the SSC on **Monday at 3 p.m.** Mr. Dell Simmons should also be available at the SSC meeting to discuss changes in the chinook Fishery Regulation Assessment Model (FRAM). On Friday, the STT must report to the Council on any estimation issues that remain unresolved or are likely to change by April.

D. Inseason Management Recommendations for Openings Prior to May 1 (Council Agenda Item B.3., Tuesday, late morning to early afternoon)

The Council will make recommendations for early commercial and recreational openings off Oregon and consider whether or not to open the April commercial test fishery off California south of Pillar Point.

E. Definition of 2000 Management Options (Council Agenda Item B.4. on Tuesday afternoon; Item B.7. on Wednesday afternoon; Items B.8. and B.9. on Friday afternoon)

F. Oregon Coastal Natural Coho Management Review (Council Agenda Item B.5., Wednesday afternoon)

This is an update on progress of the review team assigned to assess any needed changes in our management of Oregon coastal natural coho. There has been one meeting of the review group.

ADJOURN

PFMC
02/22/00

PROPOSED AGENDA
Coastal Pelagic Species Advisory Subpanel

Pacific Fishery Management Council
Red Lion Hotel Sacramento
Comstock III Room
1401 Arden Way
Sacramento, CA 95815
(916) 922-8041
March 7, 2000

TUESDAY, MARCH 7, 2000 - 1 P.M.

A. Call to Order, Introductions	John Royal
B. Approve Agenda	John Royal
C. Election of Chairman and Vice Chairman	Dan Waldeck
D. Role of Coastal Pelagic Species Advisory Subpanel Members	Dan Waldeck
E. Fishery Management Plan - Question and Answer	Dan Waldeck
F. Update on Status of Limited Entry Fishery South of 39° N Latitude	Jim Morgan
G. Status of Stocks, Coastal Pelagic Species Management Team Report on Plan Amendment (Bycatch and Squid Maximum Sustainable Yield)	Doyle Hanan, Kevin Hill
H. Update from California's Industry Squid Advisory Panel	
I. Subpanel Discussion "What Do We Want to Accomplish in 2000?"	Subpanel Members
J. Other Business	John royal
1. North/South Allocations	Heather Munro
K. Meeting Schedule for 2000	Dan Waldeck
L. Review Statements and Complete Unfinished Business	

ADJOURN

PFMC
02/23/00

PROPOSED AGENDA
Enforcement Consultants

Pacific Fishery Management Council
Red Lion Hotel Sacramento
Almanor Room
1401 Arden Way
Sacramento, CA 95815
(916) 922-8041
March 7, 2000

TUESDAY, MARCH 7, 2000 - 7 P.M.

A. Introductions

B. Enforcement Comments - Agenda Items

1. Review of 1999 Fisheries and Summary of 2000 Stock Abundance Estimates
2. Experimental Fisheries in April 2000
3. Adopt 2000 Options for Public Review-Salmon
4. Status of Regulations-Groundfish
5. Exempted Fishing Permit's
6. Groundfish Trip Limits for Pink Shrimp

C. Industry and Interested Party Comments

D. Public Comment

E. Miscellaneous Items - Group Discussion

ADJOURN

PFMC
02/23/00

PROPOSED AGENDA
Highly Migratory Species Advisory Subpanel

Red Lion Hotel Sacramento
Comstock III Room
1401 Arden Way
Sacramento, CA 95815
(916) 922-8041
March 8, 2000

WEDNESDAY, MARCH 8, 2000 - 10 A.M.

A. Call to Order, Introductions Peter Flournoy, Chairman

B. Additions to Agenda/Approve Agenda Peter Flournoy

C. Review of Highly Migratory Species (HMS) Fishery Management Plan (FMP) Dale Squires and Steve Crooke

1. Highly Migratory Species Plan Development Team (HMSPDT) Meetings, December 8-9, 1999, La Jolla, California; and February 1-3, Pacific Grove, California

D. Funding/Resources/Budget for Highly Migratory Species Advisory Subpanel (HMSAS) Svein Fougner

1. Meetings to Review HMSPDT FMP Progress

E. Year 2000 Schedule for HMSAS Meetings Peter Flournoy

WORKING LUNCH TO ACCOMMODATE NOAA/NMFS/GENERAL COUNSEL

1. Legal Opinion on HMSPDT's FMP Approach for a Framework to Move Species from Managed to Associated/Monitored Only Listing — NOAA General Council
2. Maximum Sustainable Yield (MSY) Requirements for "Managed" Species
3. Relationship of HMSAS to HMSPDT FMP — Larry Six

F. Recommendations/Comments to the Council Regarding The HMSPDT's FMP Progress Report
(Refer to Draft Progress Report)

1. Species
   a. *Mola mola*
   b. Sharks
   c. Dolphin Fish *Mahi mahi*
2. Managed vs. Associated and Monitored
3. Defining Mechanism for Species Movement Between Categories Without FMP Amendments

G. HMS Limited Entry Control Date/Moratorium/Limited Entry Scheme

H. Publicity and Out Reach -- Are We Doing All We Can?

I. Scheduling of HMSAS Elections of Chairman and Vice Chairman for April Meeting and Other Business

BREAK AT 5:30 P.M.

RESUME AT 9:30 P.M.

J. Review and Approve HMSAS Written Comments to Council for Presentation on March 9, 2000 at 8 A.M., Progress Report on the FMP

K. Review and Approve HMSAS Written Comments to Council for Presentation on March 9, 2000 Control Date For Limited Entry

ADJOURN at 10:30 P.M.

PFMC
2/23/00