CALIFORNIA WETFISH PRODUCERS ASSOCIATION

2194 SIGNAL PLACE
SAN PEDRO, CA 90731

OCTOBER 25, 2002

DR. HANS RADTKE, CHAIR AND
MEMBERS OF THE PACIFIC FISHERY MANAGEMENT COUNCIL
7700 NE AMBASSADOR PLACE, SUITE 200
PORTLAND, OR 97220

SUBJECT: SPECIAL REQUEST FOR EMERGENCY ACTION RE: 2002 SARDINE

DEAR DR. RADTKE AND COUNCIL MEMBERS,

WE GREATLY APPRECIATE YOUR CONSIDERATION OF THIS SPECIAL REQUEST TO RECOMMEND THAT NMFS PROCEED WITH AN EMERGENCY RULEMAKING TO OPEN ANY UNUSED SARDINE ALLOCATION TO HARVEST BY ALL USERS EFFECTIVE DECEMBER 1.

WE HAVE RECEIVED WORD THAT THE EL NIÑO FORECAST FOR THIS WINTER HAS REACHED PERU WITH MORE FORCE THAN ANTICIPATED. CWPA MEMBERS NOW REPORT THAT SQUID FISHING IS HIT-AND-MISS, WHERE IT WAS PRODUCTIVE JUST A WEEK AGO.
THE REALLOCATION PROCESS IMPLEMENTED IN SEPTEMBER BY RECOMMENDATION OF THE COUNCIL HAS REDUCED THE SOUTHERN CA SARDINE ALLOCATION BY 50 PERCENT, LEAVING 20,000 TONS OR LESS FOR THE REMAINDER OF 2002. CWPA MEMBERS FEAR THIS AMOUNT WILL BE INSUFFICIENT IN THE ABSENCE OF SQUID.

IN SEPTEMBER THE COUNCIL RECOMMENDED THAT NMFS IMPLEMENT AN EMERGENCY RULEMAKING TO OFFSET ECONOMIC HARDSHIP TO THE NORTHERN SARDINE FISHERY, AND TO BETTER UTILIZE THE OPTIMUM YIELD SET FOR THE FISHERY.

OUR REQUEST FOR SIMILAR RECOMMENDATION IS BASED ON THE SAME JUSTIFICATIONS: THE REMAINING NORTHERN ALLOCATION LIKELY WILL NOT BE FULLY UTILIZED BY DECEMBER 1, AND IN THE ABSENCE OF SQUID, COUPLED WITH INSUFFICIENT REMAINING SARDINE ALLOCATION, THE SOUTHERN FISHERY WILL ALSO SUFFER ECONOMIC HARDSHIP.

FOLLOWING THE SOCIO-ECONOMIC FORMULA PROVIDED IN THE COUNCIL'S SEPTEMBER 18 LETTER TO NMFS, BUT APPLIED TO THE SOUTHERN FISHERY:

THE CALIFORNIA WETFISH PRODUCERS ASSOCIATION CURRENTLY REPRESENTS 30 PURSE SEINE VESSELS WHICH EMPLOY 270 FISHERMEN, AND SIX PROCESSORS WHICH EMPLOY IN AGGREGATE 1,206 EMPLOYEES. THIS REPRESENTS THE MAJORITY, BUT NOT ALL, SOUTHERN CALIFORNIA SARDINE FISHERY PARTICIPANTS. PROCESSING CAPACITY IN THE SOUTHERN FISHERY IS APPROX. 1,900 METRIC TONS PER DAY.
EACH DAY THIS AMOUNT COULD POTENTIALLY PROVIDE:
--MORE THAN 1,206 PROCESSING JOBS: AT $128 PER DAY, THIS REPRESENTS ABOUT $155,000 PER DAY IN POTENTIAL INCOME FOR CWPA EMPLOYEES ALONE.
--1,900 MT AT $88-$100 PER MT EX-VESSEL VALUE PROVIDES ABOUT $167,200-$190,000 PER DAY IN FISHERMEN'S SALES. WITH A MULTIPLIER OF THREE, DAILY FISHERMEN'S REVENUE REPRESENTS $501,600-$570,000 DAILY INCOME TO THE COMMUNITY.

Southern CA processors produce a variety of products, including hand-packed long-line bait, H&G exported for canning, IQF and fresh product for human consumption, and block frozen product for canning, bait and pet food. These products are marketed in the US and around the world. Ex-processor value ranges from about $617-$450 per mt. As in the OR and WA fisheries, recovery rate is 100 percent for all but H&G processed product. A daily production rate of 1,900 mt produces ex-processor values ranging from $1,172,300 to $855,000 in daily processor sales.

Clearly, the loss of this production in the absence of sardines and squid would represent a significant economic hardship to the southern wetfish industry, as well as the ports that support it.

To avoid this economic hardship, we request the Council recommend that NMFS implement the emergency action to open any unused harvest guideline to all users, effective December 1.

By way of background on the December 1 open allocation, the California Department of Fish and Game made this management decision in 1998, when southern California utilized its allocation before the end of the year but fish remained in Monterey's sub-quota. We hope to include this language when an amendment to the CPS FMP is considered. However that process would not be completed in time to help the southern fishery this season.

Thank you, once again, for this opportunity to address the Council and for considering this request.

Sincerely,

Diane Pleschner-Steele

Diane Pleschner-Steele for
California Wetfish Producers Association

From: "John Hunter" <John.Hunter@noaa.gov>
Date: Fri Oct 18, 2002 02:01:45 PM US/Pacific
To: Diane Pleschner-Steele <dplesch@earthlink.net>
Subject: [Fwd: [Fwd: El Niño]]

From: "Ron Lynn" <Ron.Lynn@noaa.gov>
Date: Wed Oct 16, 2002 08:14:53 AM US/Pacific
To: Ron Dotson <Ron.Dotson@noaa.gov>, John Hunter <John.Hunter@noaa.gov>, Paul Smith <Paul.Smith@noaa.gov>, darrel@coma.ucsd.edu, Ken Bliss <Ken.Bliss@noaa.gov>, John Butler <John.Butler@noaa.gov>, Nancy Lo <Nancy.Lo@noaa.gov>, Richard Charter <Richard.Charter@noaa.gov>
Subject: [Fwd: El Niño]

From: Francisco Chavez <chfr@mbari.org>
Date: Tue Oct 15, 2002 05:22:07 PM US/Pacific
To: Art Miller <miller@horizon.ucsd.edu>, Baldo Marinovic <marinovic@biology.ucsc.edu>, Bertha Lavaniegos <berlav@cicese.mx>, Bill Peterson <bill.peterson@noaa.gov>, Bob Smith <rsmith@oce.orst.edu>, clint winant <cdw@coast.ucsd.edu>, "Curtis A. Collins" <collins@oc.nps.navy.mil>, Dan Cayan <dcayan@ucsd.edu>, Dave Checkley <dcheckley@ucsd.edu>, Dave Mackas <MackasD@pac.dfo-mpo.gc.ca>, "David B. Enfield" <enfield@ocean.aoml.erl.gov>, Dick Feely <feely@pmel.noaa.gov>, Ed Dever <edever@ucsd.edu>, Frank Schwing <fschwing@pfeg.noaa.gov>, Frank Whitney <WhitneyF@pac.dfo-mpo.gc.ca>, Gernot Friederich <frge@mbari.org>, gilberto gaxiola castro <ggaxiola@cicese.mx>, "H. Paul Freitag" <freitag@pmel.noaa.gov>, Howard Freeland <hjfree@ios.bc.ca>, " James A. Yoder" <yoder@po.gso.uri.edu>, Jeff Paduan <paduan@oc.nps.navy.mil>, Jim McWilliams <jcm@atmos.ucla.edu>, John Kindle <kindle@nrlssc.navy.mil>, "Kenneth S. Johnson" <johnson@mbari.org>, Mike Kosro <kosro@oce.orst.edu>, Mike McPhaden <MCPHADEN@pmel.noaa.gov>, Osvaldo Ulloa <oulloa@profc.udec.cl>, Pete Strutton <stpe@mbari.org>, Raphael Kudela <kudela@cats.ucsc.edu>, Reiko Michisaki <reiko@mbari.org>, Richard Barber <rbarber@duke.edu>, "Richard C. Dugdale" <rdugdale@sfsu.edu>, Rob Dunbar <dunbar@stanford.edu>, Ron Lynn <Ron.Lynn@noaa.gov>, Steven Bograd <sbograd@upwell.pfeg.noaa.gov>, " Steven R. Ramp" <ramp@oc.nps.navy.mil>, Renato Guevara <rguevara@imarpe.gob.pe>, Luis Pizarro <lpizarro@imarpe.gob.pe>, "Miguel Ñiquen Carranza" <mniquen@imarpe.gob.pe>, Dimitri Gutierrez Aguilar <dgutierrez@imarpe.gob.pe>
Subject: El Niño

Dear Aficionados,

On September 25 SST at Paita, Peru increased from 16.5 C to 21.5 C (see http://www.mbari.org/bog/Projects/Peru/peru02_09.htm) probably signaling the arrival of a Kelvin wave. The warming extended to at least 25 m but had not reached 60 m by the end of the month. The temperatures after the 25th remained high and are about 5 C warmer than the September mean. September warmings are unusual, in fact the 2002 temperatures are higher than September temperatures in 1982 and 1997. This warming is consistent with other recent analysis that seem to indicate that the El Niño that is currently underway may be stronger than previously thought. The signature off the northwest coast of North America may be felt at any time since there is typically a lag of 20–30 days. The ultimate strength of the event will depend on further anomalies in the western and central Pacific wind field. The next few months should be quite interesting.

Best regards,

Francisco

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that would significantly reduce burdens on small entities.

List of Subjects in 47 CFR Part 25

Satellite communications.

Federal Communications Commission.

Marlene H. Dortch,

Secretary.

Proposed Rule Changes

For the reasons discussed in the preamble, the Federal Communications Commission proposes to amend 47 CFR part 25 as follows:

PART 25—SATELLITE COMMUNICATIONS

1. The authority citation for part 25 continues to read as follows:

Authority: 47 U.S.C. 701–744. Interprets or applies Sections 4, 301, 302, 303, 307, 309 and 332 of the Communications Act, as amended, 47 U.S.C. Sections 154, 301, 302, 303, 307, 309 and 332, unless otherwise noted.

2. Section 25.216 is amended by revising paragraph (e) and by adding paragraphs (g), (h) and (i) to read as follows:

§ 25.216 Limits on emissions from mobile earth stations for protection of aeronautical radionavigation-satellite service

(e) The e.i.r.p. density of emissions from mobile earth stations with assigned uplink frequencies between 1990 MHz and 2025 MHz shall not exceed −70 dBW/MHz, averaged over 20 milliseconds, in frequencies between 1559 MHz and 1610 MHz. The e.i.r.p. of discrete emissions of less than 700 Hz bandwidth from such stations shall not exceed −80 dBW, averaged over 20 milliseconds, in that frequency band.

* * * * *

(g) Mobile earth stations placed in service after July 21, 2002 with assigned uplink frequencies in the 1626.5–1660.5 MHz band shall suppress the power density of emissions in the 1605–1610 MHz band-segment to an extent determined by linear interpolation from −70 dBW/MHz at 1605 MHz to −46 dBW/MHz at 1610 MHz. The e.i.r.p. of discrete emissions of less than 700 Hz bandwidth from such stations shall not exceed a level determined by linear interpolation from −80 dBW at 1605 MHz to −56 dBW at 1610 MHz.

(h) The peak e.i.r.p. density of carrier-off-state emissions from mobile earth stations with assigned uplink frequencies between 1 and 3 GHz shall not exceed −77 dBW/MHz in the 1559–1610 MHz band.

(i) No mobile earth station subject to the requirements of this section may be operated after January 1, 2005 unless its conformance with pertinent requirements specified in this section with respect to operation after that date has been demonstrated pursuant to the certification procedure prescribed in part 2, subpart J, of this chapter.

[FR Doc. 02–24893 Filed 10–2–02; 8:45 am]

BILLING CODE 6712–01–P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Part 660

[I.D. 092402E]

RIN 0648–AP87

Fisheries Off West Coast States and in the Western Pacific; Coastal Pelagic Species Fishery; Amendment 10

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

ACTION: Notice of availability of an amendment to a fishery management plan; request for comments.

SUMMARY: NMFS announces that the Pacific Fishery Management Council (Council) has submitted Amendment 10 to the Coastal Pelagic Species Fishery Management Plan (FMP) for Secretarial review. Amendment 10 addresses the two unrelated subjects of the transferability of limited entry permits and maximum sustainable yield (MSY) for market squid. Only the subject of permit transfer requires regulatory action. The purpose is to establish the procedures by which limited entry permits can be transferred to other vessels and/or individuals so that the holders of the permits have maximum flexibility in their fishing operations while the goals of the FMP are achieved.

DATES: Comments on Amendment 10 must be received on or before December 2, 2002.

ADDRESSES: Comments on Amendment 10 should be sent to Rodney R. McInnis, Acting Administrator, Southwest Region, NMFS, 501 West Ocean Boulevard, Suite 4200, Long Beach, CA 90802.

Copies of Amendment 10, which includes an environmental assessment/regulatory impact review, and determination of the impact on small businesses are available from Donald O. McIssac, Executive Director, Pacific Fishery Management Council, 2130 SW Fifth Avenue, Suite 224, Portland, OR, 97201.

FOR FURTHER INFORMATION CONTACT: James Morgan, Sustainable Fisheries Division, NMFS, at 562–980–4036 or Daniel Waldeck, Pacific Fishery Management Council, at 503–326–6352.

SUPPLEMENTARY INFORMATION: The Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act) requires each Regional Fishery Management Council to submit a fishery management plan or plan amendment to NMFS for review and approval, disapproval, or partial approval. The Magnuson-Stevens Act also requires that NMFS, upon receiving a fishery management plan or plan amendment, immediately publish notification in the **Federal Register** that the fishery management plan or plan amendment is available for public review and comment. NMFS will consider the public comments received during the comment period described above in determining whether to approve, disapprove, or partially approve the fishery management plan or plan amendment.

Amendment 10 would establish an optimum level of harvesting capacity for the limited entry fleet, provide for the transfer of limited entry permits according to specific criteria so that the harvesting capacity goal is not exceeded, and establish a process for the possible consideration of new limited entry permits under certain conditions in the future. The purpose of these measures is to ensure that fishing capacity in the limited entry fishery is in balance with resource availability while giving the fishing industry flexibility in its business ventures.

Amendment 10 to the FMP improves upon Amendment 8 to the FMP. Amendment 10 provides a proxy for MSY for market squid, whereas Amendment 8 did not provide an MSY for market squid. The proxy for MSY for market squid is based on a method of determining egg escapement of the species. NMFS recommended using this approach to monitor the fishery, after NMFS examined the historical landings and the range of the species and determined that these data did not provide the desired information to monitor the harvest of market squid.

Public comments on Amendment 10 must be received by December 2, 2002, to be considered by NMFS when NMFS decides whether to approve, disapprove, or partially approve Amendment 10. A proposed rule to implement Amendment 10 has been submitted for Secretarial review and approval. NMFS expects to publish and request public comment on the proposed regulation to

implement Amendment 10 in the near future.

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

Dated: September 27, 2002.

Virginia M. Fay,

Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service.

[FR Doc. 02–25171 Filed 10–2–02; 8:45 am]

BILLING CODE 3510–22–S

NATIONAL MARINE FISHERIES SERVICE REPORT ON COASTAL PELAGIC SPECIES MANAGEMENT

Situation: National Marine Fisheries Service (NMFS) will briefly report on recent developments in the coastal pelagic species fishery and other issues of relevance to the Council.

Council Task:

1. Receive and provide information.

Reference Materials:

1. Exhibit F.1, Attachment 1– *Federal Register* Notice of Availability for Amendment 10.

Agenda Order:

a. Agendum Overview — Svein Fougner
b. Reports and Comments of Advisory Bodies
c. Public Comment
d. Council Discussion

PFMC
10/11/02

SOUTHWEST REGION REPORT ON COASTAL PELAGIC SPECIES FISHERIES MANAGEMENT

The National Marine Fisheries Service (NMFS) was able to expedite the processing of the sardine emergency reallocation as requested by the Council to be effective on September 20, 2002. This should not be taken as a precedent for future actions. There will be no such emergency action in 2003 as the Council will have considerable time to consider and decide whether a change in the allocation process or criteria is warranted and for NMFS to act on any proposals to that effect.

The final rule setting the Pacific mackerel harvest guideline was published in the *Federal Register* on October 3, 2002 (67 FR 61994).

Following the meeting of the Coastal Pelagic Species Management Team and Advisory Subpanel meetings, a proposed rule setting the Pacific sardine harvest guideline has been prepared and forwarded to NMFS headquarters for publication in the *Federal Register*.

On October 3, 2002, a Notice of Availability of Amendment 10 to the Coastal Pelagic Species Fishery Management Plan was published in the *Federal Register* (67 FR 62001). Proposed rules will be published this week (October 28-November 1).

PFMC
10/29/02

Stock Assessment of Pacific Sardine with Management Recommendations for 2003

Executive Summary

by

Ramon J. Conser[1], Kevin T. Hill[2], Paul R. Crone[1], Nancy C.H. Lo[1], and Darrin Bergen[2]

Submitted to:
Pacific Fishery Management Council
7700 NE Ambassador Place, Suite 200
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October 2002

Addresses for authors:

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This document is available electronically at:
http://swfsc.nmfs.noaa.gov/frd/Coastal%20Pelagics/Sardine/sardine1.htm

Introduction

The following summary presents pertinent results and harvest recommendations from a stock assessment conducted on Pacific sardine (*Sardinops sagax*). It is an update to the stock assessment carried out last year (Conser et al. 2001), and is intended for use by the Pacific Fishery Management Council (PFMC) when developing management goals for the upcoming fishing season for sardine beginning January 2003.

The assessment results presented here are applicable to the sardine population off the North America Pacific coast from Baja California, Mexico to British Columbia, Canada. Research surveys (fishery-independent) have been conducted on an annual basis in the spawning areas off central and southern California. For most of the contemporary time series (1983-98), significant fishing for sardine occurred only off northern Mexico and California (Area 1 or *Inside* Area). As the sardine population rebuilt and expanded its range through the mid-1990's, sardine became more available seasonally off Oregon, Washington, and British Columbia. Subsequently, fisheries in these more northerly areas expanded with significant landings beginning in 2000. As in past assessments, research survey data (fishery-independent) are used to index the size of the sardine spawning biomass; and when coupled in a modelling framework with fishery-dependent data and structural information on sardine biology and migration, provide the stock size estimates and demographics needed by the PFMC to establish harvest guidelines for the USA fisheries.

Methods

An age-structured stock assessment model (CANSAR-TAM, **C**atch-at-age **AN**alysis for **SAR**dine - **T**wo **A**rea **M**odel, see Hill et al.1999) was applied to fishery-dependent and fishery-independent data to derive estimates of population abundance and age-specific fishing mortality rates. In 1998, the original CANSAR model (Deriso et al. 1996) was modified to account for the expansion of the population northward to waters off the Pacific northwest. The models are based on a 'forward-simulation' approach, whereby parameters (e.g., population sizes, recruitments, fishing mortality rates, gear selectivities, and catchability coefficients) are estimated after log transformation using the method of nonlinear least squares. The terms in the objective function (to be minimized) included the sum of squared differences in ($\log_e$) observed and ($\log_e$) predicted estimates from the catch-at-age and various sources of auxiliary data used for 'tuning' the model, e.g., indices of abundance from research survey data. Bootstrap procedures were used to calculate variance and bias (95% confidence intervals) of sardine biomass and recruitment estimates generated from the assessment model. The CANSAR-TAM model was based on two fisheries (California, U.S. and Ensenada, Mexico) and semesters within a year were used as time steps, with ages being incremented between semesters on July 1 and spawning that was assumed to occur on April 1 (middle of the first semester).

Fishery-dependent data from the California and Ensenada fisheries (1983 to first semester 2002) were used to develop the following time series: (1) catch (in mt)-Table 1 and Figure-1; (2) catch-at-age in numbers of fish; and (3) estimates of weight-at-age. Fishery-independent data (time series) from research surveys included the following indices, which were developed from data collected from Area 1 (*Inside Area*, primarily waters off central and southern California) and used as relative abundance measures (Table 2): (1) index (proportion-positive stations) of sardine egg abundance from California Cooperative Oceanic and Fisheries Investigations (CalCOFI) survey data (*CalCOFI Index*)-Figure 2; (2) index of spawning biomass (mt) based on the Daily Egg Production Method (DEPM) survey data (*DEPM Index*)-Figure 3, see Lo et al. (1996); (3) index of spawning area (Nmi^2) from CalCOFI and DEPM survey data (*Spawning Area Index*)-Figure 4, see Barnes et al. (1997); and (4) index of pre-adult biomass (mt) from aerial spotter plane survey data (*Aerial Spotter Index*)-Figure 5, see Lo et al. (1992). Time series of sea-surface temperatures (Figure 6) recorded at Scripps Pier, La Jolla, California were used to determine appropriate harvest guidelines (*Sea-*

surface Temperature Index), see Amendment 8 of the Coastal Pelagic Species Fishery Management Plan, Option J, Table 4.2.5-1, PFMC (1998).

Survey indices of relative abundance were re-estimated using generally similar techniques as was done in previous assessments (Hill et al. 1999; Conser et al. 2000; and Conser et al. 2001). The final model configuration was based on equally 'weighted' indices except for the CalCOFI index, which was downweighted to 0.7 (relative to 1.0 for the other indices). The relative weight used for the CalCOFI index (0.7) was consistent with previous assessments in which the proportion of the total spawning area covered by the CalCOFI surveys (~70%) was used to determine its relative weighting in the model. Further the CalCOFI Index has undergone considerable saturation in recent years due to the higher frequency of positive stations as the sardine stock expanded throughout and beyond the southern California Bight. As in the previous assessment, the CalCOFI index was fit with a non-unity exponent (0.3547) to allow for a nonlinear relationship between the index and sardine spawning biomass. This procedure produced a better fit to these data and a more acceptable residual pattern than assuming the classical linear relationship between the index of abundance and population size. As in the two previous assessments, the Aerial Spotter Index was assumed to primarily track pre-adult fish (ages 0 and 1 plus a portion of age 2 fish). All of the other fishery-independent indices were used as indices of the spawning stock biomass, which can be approximated by the biomass of ages 1+ sardine.

Recognizing that the geographical extent of the sardine population tends to increase as population size increases (inferred largely from tagging data and the expansion of the fishery in the 1930's), the CANSAR-TAM model uses explicit time-varying migration rates to `move' sardine from the well-sampled Area 1 (roughly Baja California through central California) to the larger, coastwide stock area. Internal consistency checks are done to ensure that reasonable numbers of sardine are present outside Area 1 to account for the catches of the developing fisheries in the Pacific Northwest. In conjunction with this assessment, a sensitivity run was carried out in which (i) the available catch-at-age from Oregon and Washington fisheries (mostly 2000 and 2001) were formally incorporated into the model and (ii) no structural assumptions regarding migration rates were imposed. As the time series of catch-at-age data from the Pacific Northwest fisheries accumulates and fishery-independent data become available from northern areas, the structure of this sensitivity run is likely to become the template for future sardine stock assessments.

Results

Pacific sardine landings for the directed fisheries off California, USA and Ensenada, Mexico decreased from the high levels that were reached during 2000 (109,000 mt), with a total 2002 harvest of roughly 81,000 mt (Table 1, Figure 1); however, note that semester 2 landings in 2002 reflect projected estimates based on landing patterns observed in the fisheries during the mid to late 1990s (Table 1). Both California and Ensenada landings in 2002 are expected to decrease from the 2000 level, with a more notable decrease in the projected Ensenada landings (51,000 mt in 2000, decreasing to 27,000 mt in 2002). Currently, the USA fishery is regulated using a quota (harvest guideline) management scheme and the Mexico fishery (Ensenada landings) is essentially unregulated.

As has been the case in recent years, landings from the USA Pacific sardine fishery (California, Oregon, and Washington) are below the harvest guideline recommended for 2002 (118,000 mt), with roughly 79,000 mt landed through September 2002 and 87,000 mt projected landings for the entire year (the fishing year ends December 31, 2002).

Estimated stock biomass ($\geq$1-year old fish on July 1, 2002) from the assessment conducted this year

indicated the sardine population has remained at a relatively high abundance level, with a bias-corrected estimate of nearly 1.0 million mt (Table 3 and Figure 7). Estimated recruitment (age-0 fish on July 1) during the past four years has declined considerably from that estimated for the strong 1998 year-class (Table 3 and Figure 8). However, it should be noted that recent recruitment (4-22 billion recruits) is not estimated precisely (Figure 8), and another 2-3 years of data may be needed to ascertain whether the sardine population biomass has reached a plateau at the 1.0 million mt level (Figure 7).

Estimates of Pacific sardine biomass from the 1930's (Murphy 1966 and MacCall 1979) indicate that the sardine population may have been more than three times its current size prior to the population decline and eventual collapse in the 1960's (Figure 9). Considering the historical perspective, it would appear that the sardine population, under the right conditions, may still have growth potential beyond its present size. However, per capita recruitment estimates show a downward trend in recruits per spawner in recent years that may be indicative of a stock that has reached a plateau under current environmental conditions (Conser et al. 2001).

The estimate of 2002 stock biomass from the sensitivity run (in which available catch-at-age from Oregon and Washington fisheries were formally incorporated into the model and no structural assumptions regarding migration rates were imposed) was virtually identical to the corresponding estimate from the baseline assessment model, described above (Figure 10). Most annual biomass estimates from the sensitivity run fell within the 95% confidence interval from the baseline assessment (with notable exceptions in 1998 and 1999). However, biomass estimates from the sensitivity run were systematically smaller than those from the baseline during the (recent) years of rapid stock size increase. This may be indicative of a rapidly growing and expanding stock coupled with a lag in the development of fisheries in the northern area to `sample' the sardine in that area. Overall, confidence intervals on stock biomass from the sensitivity run were much broader than those from the baseline and some parameters were poorly estimated (e.g. selectivity for the northern fishery). It is reasonable to expect the performance of this model configuration to improve as the time series of catch-at-age data from the Pacific Northwest fisheries accumulates and fishery-independent data become available for northern areas.

Harvest Guideline for 2003

The harvest guideline recommended for the U.S. (California, Oregon, and Washington) Pacific sardine fishery for 2003 is 110,908 mt. Statistics used to determine this harvest guideline are discussed below and presented in Table 4. To calculate the proposed harvest guideline for 2003, we used the maximum sustainable yield (MSY) control rule defined in Amendment 8 of the Coastal Pelagic Species-Fishery Management Plan, Option J, Table 4.2.5-1, PFMC (1998). This formula is intended to prevent Pacific sardine from being overfished and maintain relatively high and consistent catch levels over a long-term horizon. The Amendment 8 harvest formula for sardine is:

$$HG_{2003} = (\text{TOTAL STOCK BIOMASS}_{2002} - \text{CUTOFF}) \bullet \text{FRACTION} \bullet \text{U.S. DISTRIBUTION},$$

where HG_{2003} is the total U.S. (California, Oregon, and Washington) harvest guideline recommended for 2003, TOTAL STOCK $BIOMASS_{2002}$ is the estimated stock biomass (ages 1+) from the current assessment conducted in 2002 (see above), CUTOFF is the lowest level of estimated biomass at which harvest is allowed, FRACTION is an environment-based percentage of biomass above the CUTOFF that can be harvested by the fisheries (see below), and U.S. DISTRIBUTION is the percentage of TOTAL STOCK $BIOMASS_{2002}$ in U.S. waters.

The value for FRACTION in the MSY control rule for Pacific sardine is a proxy for F_{msy} (i.e., the fishing mortality rate that achieves equilibrium MSY). Given F_{msy} and the productivity of the sardine stock have been shown to increase when relatively warm-water ocean conditions persist, the following formula has been used to determine an appropriate (sustainable) FRACTION value:

$$\text{FRACTION or } F_{msy} = 0.248649805(T^2) - 8.190043975(T) + 67.4558326,$$

where T is the running average sea-surface temperature at Scripps Pier, La Jolla, California during the three preceding years. Ultimately, under Option J (PFMC 1998), F_{msy} is constrained and ranges between 5% and 15% (Figure 11).

Based on the T values observed throughout the period covered by this stock assessment (1983-2002), the appropriate F_{msy} exploitation fraction has consistently been 15% (see Figures 6 and 11); and this remains the case under current oceanic conditions (T_{2002} = 17.3 °C). However, it should be noted that the decline in sea-surface temperature observed in recent years (1998-2002) may invoke environmentally-based reductions in the exploitation fraction as early as next year (i.e. in setting the harvest guideline for the 2004 fishing season) – see Figure 11.

Although the 2003 USA harvest guideline (110,908 mt) is less than the 2002 level (118,442 mt), recent fishery practices indicate that it may not be constraining with regard to USA fishery landings in 2003 (Figure 12). However, should the recent declining recruitment trend estimated in this assessment be confirmed with future work, and should the sea-surface temperature decline, it is likely that harvest guidelines in the out years will constrain USA fishery practices and removals.

Further when viewed on a stock-wide basis and considering the landings of Mexico and Canada as well as the USA, adherence to an implied 'stock-wide harvest guideline' may constrain fisheries even without sea-surface temperature declines. Figure 13 compares recent international landings with the annual harvest guidelines that would have resulted from applying the PFMC CPS FMP harvest formula (above) absent the "U.S. Distribution" term. Should Oregon and Washington landings continue to increase (at rates comparable to the past few years) and/or Mexican landings return to their 1999-2000 levels, the implied stock-wide harvest guideline may be exceeded as early as next year (2003).

References

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Table 1. Pacific sardine time series of landings (mt) by semester (1 is January-June and 2 is July-December) in California and Baja California (Ensenada), 1983-2002. Semester 2 (2002) estimates are projections.

	CALIFORNIA			ENSENADA			
Year	Semester 1	Semester 2	Total	Semester 1	Semester 2	Total	Grand Total
83	245	244	489	150	124	274	762
84	188	187	375	<1	<1	0	375
85	330	335	665	3,174	548	3,722	4,388
86	804	483	1,287	99	143	243	1,529
87	1,625	1,296	2,921	975	1,457	2,432	5,352
88	2,516	1,611	4,128	620	1,415	2,035	6,163
89	2,161	1,561	3,722	461	5,763	6,224	9,947
90	2,272	1,033	3,305	5,900	5,475	11,375	14,681
91	5,680	3,354	9,034	9,271	22,121	31,392	40,426
92	8,021	13,216	21,238	3,327	31,242	34,568	55,806
93	12,953	4,889	17,842	18,649	13,396	32,045	49,887
94	9,040	5,010	14,050	5,712	15,165	20,877	34,927
95	29,565	13,925	43,490	18,227	17,169	35,396	78,886
96	17,896	18,161	36,057	15,666	23,399	39,065	75,121
97	11,865	34,331	46,196	13,499	54,941	68,439	114,636
98	21,841	19,215	41,055	20,239	27,573	47,812	88,868
99	31,791	24,956	56,747	34,760	23,810	58,569	115,316
00	35,174	22,761	57,935	25,800	25,373	51,173	109,108
01	30,118	24,785	54,903	9,307	12,939	22,246	77,149
02	28,079	25,624	53,703	14,453	12,969	27,422	81,125

Table 2. Pacific sardine time series of survey indices of relative abundance and sea-surface temperature, 1983-02.

Year	CalCOFI (% positive)	DEPM (mt)	Spawning area (Nmi^2)	Spotter plane (mt)	Sea-surface temperature (C)
83	na	na	40	na	17.25
84	4.9	na	480	na	17.58
85	3.8	na	760	na	17.80
86	1.9	7,659	1,260	22,049	17.87
87	4.0	15,704	2,120	11,498	17.71
88	7.9	13,526	3,120	55,882	17.55
89	7.2	na	3,720	32,929	17.24
90	3.7	na	1,760	21,144	17.19
91	16.7	na	5,550	40,571	17.35
92	8.8	na	9,697	49,065	17.61
93	6.1	na	7,685	84,070	17.84
94	17.8	127,096	24,539	211,293	17.97
95	13.4	na	23,816	188,924	18.04
96	28.0	83,175	25,890	119,731	18.06
97	27.3	409,585	40,591	66,943	18.06
98	24.3	313,985	33,446	118,492	18.44
99	16.7	282,236	55,171	40,506	18.04
00	7.8	1,063,845	32,784	48,373	17.73
01	12.5	790,958	31,663	na	17.24
02	7.1	206,323	61,753	na	17.31

Table 3. Pacific sardine time series of stock biomass (age 1+ fish in mt) and recruitment (age 0 fish in 1,000s) estimated at the beginning of semester 2 of each year. Stock biomass estimates are presented for Area 1 (Inside) and the Total Area of the stock. The 95% CIs for Total Area biomass and recruitment estimates are also presented.

	Stock biomass				Recruitment		
Year	**Area 1**	**Total Area**	**Lower CI**	**Upper CI**	**Total Area**	**Lower CI**	**Upper CI**
83	5,145	5,145	2,988	10,237	149,689	89,658	270,675
84	13,409	13,473	9,132	23,233	224,302	147,543	392,307
85	21,173	21,675	15,754	36,295	217,919	147,483	370,813
86	29,917	31,546	24,369	49,475	866,710	623,621	1,366,185
87	73,715	77,313	60,204	115,178	839,143	605,890	1,256,424
88	107,013	116,721	95,152	162,348	1,465,991	1,032,887	2,389,804
89	162,381	181,604	148,898	254,547	1,157,082	791,458	1,975,840
90	176,794	210,440	173,500	301,142	4,792,851	3,130,855	8,333,861
91	226,334	263,632	203,648	413,259	5,889,816	3,719,993	10,548,967
92	353,005	421,519	323,045	659,025	4,170,058	2,597,005	7,521,409
93	335,486	447,224	344,253	681,348	9,244,272	6,537,849	15,455,594
94	494,524	654,337	535,996	955,097	10,755,601	7,664,169	17,160,261
95	508,294	726,690	598,227	1,029,945	6,607,815	4,604,385	10,396,623
96	531,651	791,496	667,663	1,094,850	5,550,420	4,069,965	8,823,371
97	482,595	770,613	659,886	1,030,390	9,424,984	6,870,295	14,799,898
98	457,126	775,882	668,011	1,056,753	15,082,296	10,943,898	23,682,041
99	610,828	992,323	833,745	1,384,818	8,217,217	5,254,279	14,563,581
00	586,710	1,000,871	827,203	1,404,431	9,386,310	5,567,436	17,800,084
01	510,877	928,578	728,391	1,405,681	10,773,256	5,945,732	22,997,633
02	570,306	999,871	704,161	1,668,985	8,362,928	3,677,163	21,765,966

Table 4. Proposed harvest guideline for Pacific sardine for the 2003 fishing season. See Harvest Guideline for 2003 section for methods used to derive harvest guideline.

Total stock biomass (mt)	**Cutoff (mt)**	**Fraction (%)**	**U.S. Distribution (%)**	**Harvest guideline (mt)**
999,871	150,000	15%	87%	**110,908**

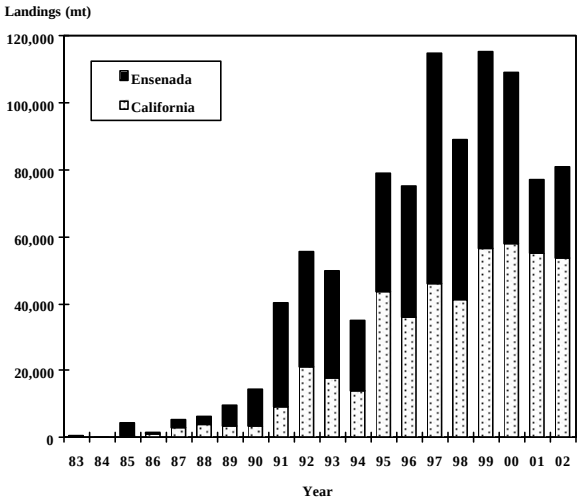

Figure 1. Pacific sardine landings (mt) in California and Baja California (Ensenada), 1983-02.

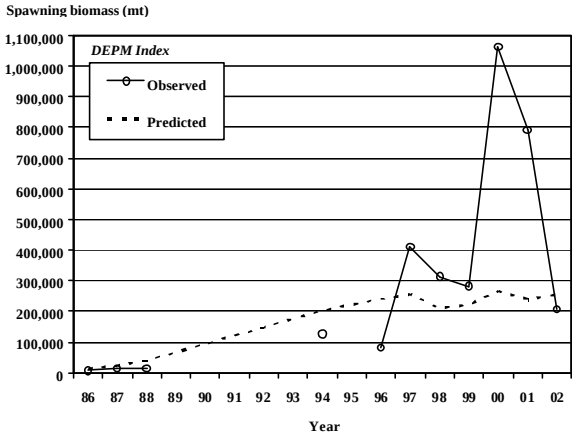

Figure 3. Index of relative abundance of Pacific sardine spawning biomass (mt) off California based on daily egg production method (DEPM) estimates from ichthyoplankton survey data (1986-02). Note that no sample data (Observed estimates) were available for years 1989-93 and 1995.

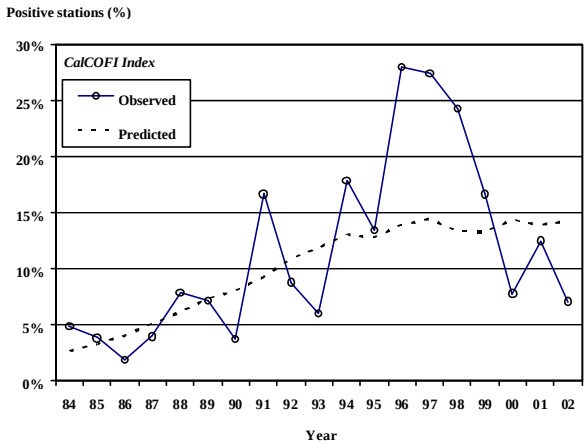

Figure 2. Index of relative abundance of Pacific sardine eggs (proportion-positive stations) off California based on CalCOFI bongo-net survey (1984-02).

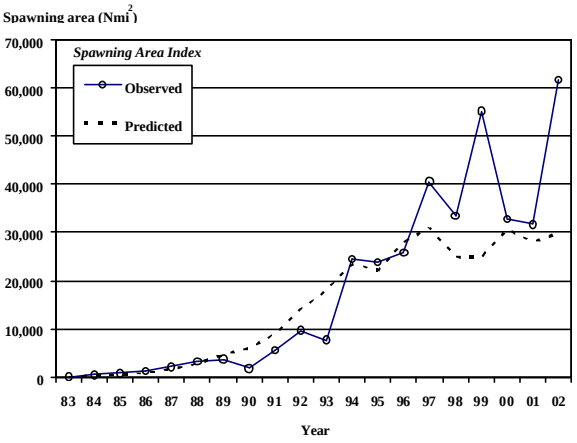

Figure 4. Index of relative abundance of Pacific sardine spawning stock size based on estimates of spawning area (Nmi^2) calculated from CalCOFI and DEPM survey data (1983-02).

Figure 5. Index of relative abundance of Pacific sardine pre-adult biomass (primarily age 0-2 fish in mt) off California based on aerial spotter plane survey data (1986-00). Note that no sample data were available for 2001-02.

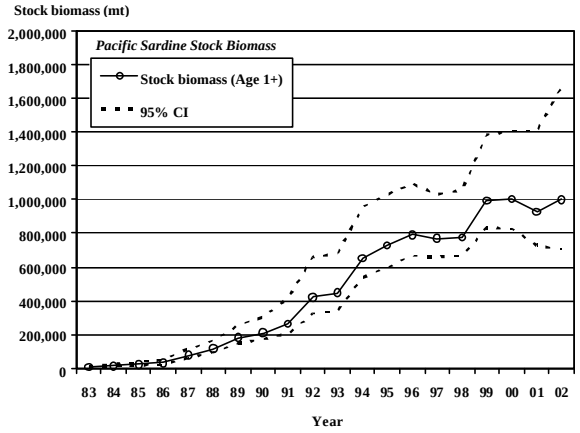

Figure 7. Time series (1983-02) of Pacific sardine stock biomass (age 1+ fish on July 1 of each year in mt) estimated from an age-structured stock assessment model (CANSAR-TAM, see Hill et al. 1999).

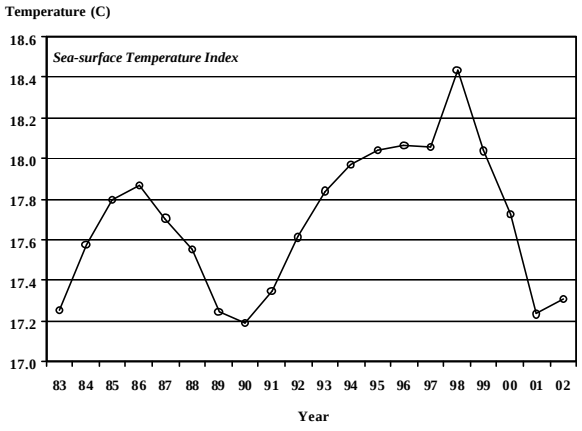

Figure 6. Time series of sea-surface temperature (C) recorded at Scripps Pier, La Jolla, CA (1983-02). Annual estimates reflect 3-year 'running' averages, see Jacobson and MacCall (1995).

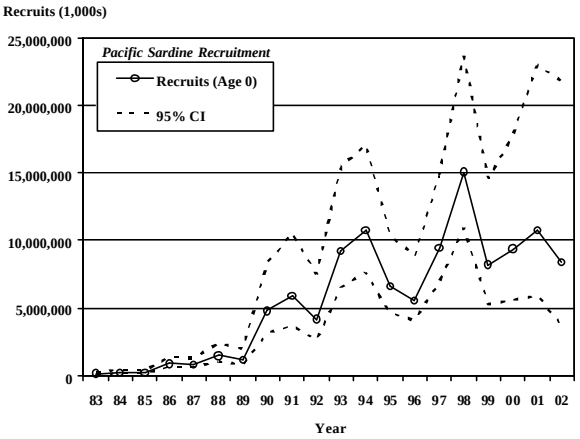

Figure 8. Time series (1983-02) of Pacific sardine recruitment (0-yr old fish on July 1 of each year in 1,000s) estimated from an age-structured stock assessment model (CANSAR-TAM, see Hill et al. 1999).

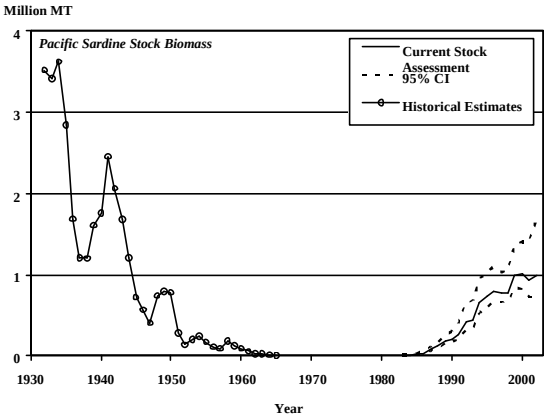

Figure 9. Time series (1983-2002) of Pacific sardine stock biomass (age 1+ fish on July 1 of each year in million mt) and associated 95% confidence intervals estimated in the current stock assessment (cf. Figure 7); and historical stock biomass estimates (1932-65) from Murphy (1966). Confidence intervals or other measures of precision are not available for the historical estimates. No stock assessment-based estimates are available for the period 1966-82. The sardine fishery was closed during much of this period and biomass was at very low levels.

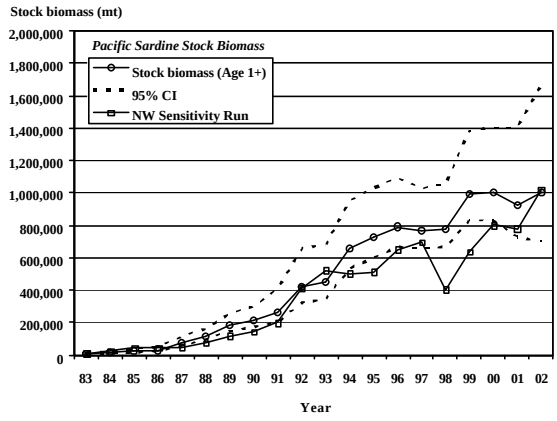

Figure 10. Time series (1983-02) of Pacific sardine stock biomass (age 1+ fish on July 1 of each year in mt) and 95% confidence intervals from this stock assessment (cf. Figure 7); and the stock biomass estimates from a sensitivity run using the NW fisheries data (Oregon and Washington) during 1999-2002. See text for details regarding the sensitivity run.

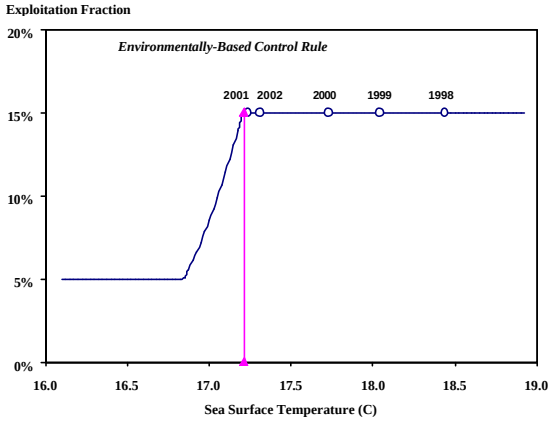

Figure 11. Environmentally-based harvest rate control rule for Pacific sardine as specified in the Coastal Pelagic Species Fishery Management Plan (PFMC 1998). For any given year, sea surface temperature (X-axis) is the running average sea surface temperature at Scripps Pier (La Jolla, CA) during the three preceding years. The exploitation fraction (Y-axis), which can range between 5-15%, is an explicit part of the algorithm used to determine the annual harvest guideline (quota) for the coastwide U.S. fishery – see Table 4. Open circles illustrate the sea surface temperature and exploitation fraction for recent years (1998-2002).

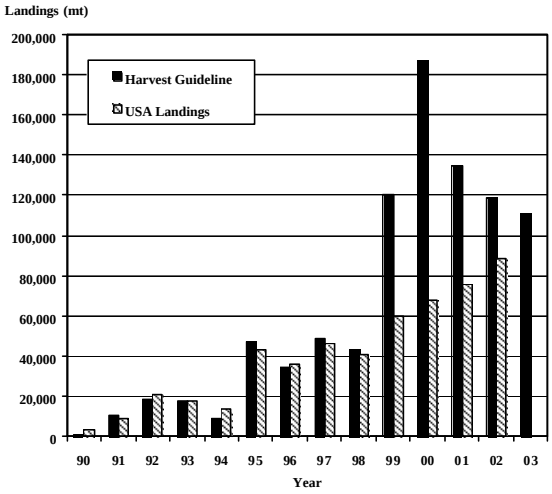

Figure 12. Time series (1990-03) of Pacific sardine harvest guidelines ('quotas') and actual USA landings (mt). State-based (California) regulations were in place for 1990-99, with federal-based (California, Oregon, and Washington) regulations beginning in 2000. Note that landings in 2002 represent an estimate projected through the end of the year. The 2003 harvest guideline is based on the 2002 stock biomass estimated in this assessment (Figure 7).

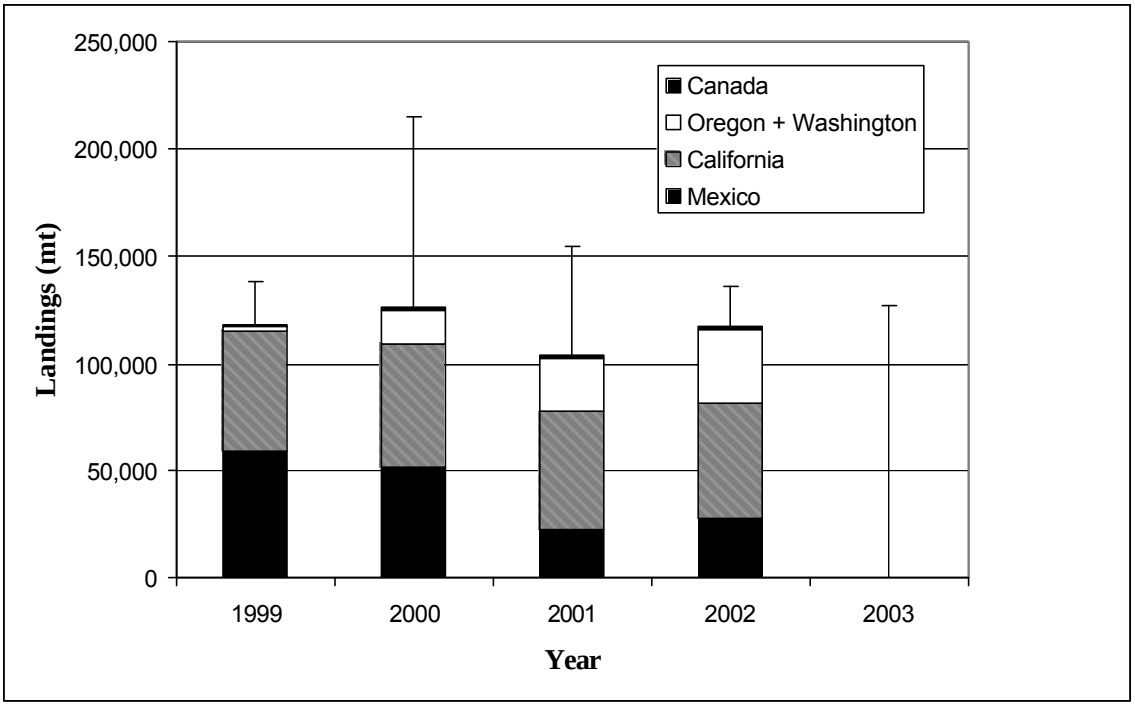

Figure 13. Pacific sardine landings (mt) from Mexico (Ensenada); California; Oregon and Washington; and Canada during 1999-2002. Landings shown for 2002 are estimates projected through the end of the calendar year. The thin bars illustrate the annual harvest guidelines that would have resulted from applying the PFMC CPS FMP harvest formula (see Table 4 and related text) on a stock-wide basis, i.e. applying the harvest guideline formula absent the "U.S. Distribution" term.

John Royal

COASTAL PELAGIC SPECIES ADVISORY SUBPANEL REPORT ON PACIFIC SARDINE STOCK ASSESSMENT AND HARVEST GUIDELINE FOR 2003

The Coastal Pelagic Species Advisory Subpanel (CPSAS) met October 8, 2002 in Long Beach, California. At the meeting, the CPSAS heard a presentation from Dr. Ray Conser reviewing the current Pacific sardine stock assessment and the recommended harvest guideline of 110,908 metric tons. The CPSAS unanimously agreed the stock assessment is as complete as the best available science and the current model allows. The CPSAS supports the recommended harvest guideline which is based on the formula defined in the Coastal Pelagic Species (CPS) Fishery Management Plan (FMP). The CPSAS is anxious to transition to the new model which will more completely incorporate fishery dependent and fishery independent data from the Pacific Northwest fisheries. Furthermore, the CPSAS voices unanimous support for the proposed coast wide survey and would recommend to the Council that they encourage National Marine Fisheries Service (NMFS) to fund that survey.

On the issue of allocation for the 2003 season, the CPSAS finds that language in the FMP and implementing regulations for Amendment 8 (the CPS FMP) published in the *Federal Register* are not clear on whether the annual allocation of sardine is a discretionary or mandatory action. There seems to be some flexibility in both the FMP language and the implementing regulations on this issue. If setting the annual allocation is a discretionary action, a majority of the CPSAS recommends to the Council that they recommend that NMFS not implement the two-thirds, one-third allocation system for the 2003 season. The majority of the CPSAS agreed that for 2003 the harvest guideline is of a sufficient amount that no one sector will be hurt by a coast-wide harvest guideline. While the CPSAS recognizes that a parallel process determining future allocation management for the sardine fishery is ongoing, it is likely that either a full FMP amendment or regulatory amendment will not be in effect prior to the 2003 season getting started in the Pacific Northwest. If the status quo allocation system is implemented again for the 2003 season, the fisheries in Washington, Oregon, and northern California will face the same shut-downs and economic hardships as they faced in 2002. A majority of the CPSAS wishes to avoid a repeat situation of what occurred in 2002 and encourages the Council to take whatever action necessary to avoid this same problem from occurring during the 2003 season.

A minority of the CPSAS recommends the Council exercise precaution at this time and not encourage further expansion of the sardine fishery in the Pacific Northwest until research is done on that segment of the stock to determine its relationship to the resource as a whole, in light of the following:

- The degree of uncertainty and lack of knowledge expressed in the current stock assessment. Assessment limitations include lack of understanding of stock structure and migration rates; further, current fishery independent data are limited to central and southern California.
- The finding that sardine population growth appears to have leveled off. Precaution is important at this time, considering the natural decline of the resource in cold-water cycles.
- The fact that scientists do not know the impact of increasing the harvest of large fish in the Pacific Northwest and what harm, if any, that will cause to the biomass.

PFMC
10/16/02

COASTAL PELAGIC SPECIES MANAGEMENT TEAM REPORT ON PACIFIC SARDINE STOCK ASSESSMENT AND HARVEST GUIDELINE FOR 2003

The Coastal Pelagic Species Management Team (CPSMT) recently met with Dr. Ray Conser (National Marine Fisheries Service) to review results from the latest Pacific sardine stock assessment, which will be used to set a harvest guideline for the 2003 season. The CPSMT concurs with the stock assessment team's analyses, and recommends the Council adopt a harvest guideline of 110,908 metric tons (mt) for the 2003 season.

The CPSMT held a brief discussion on establishing a set-aside and tolerance level for sardine caught incidentally in other CPS fisheries during 2003. The CPSMT defers to the CPS Advisory Subpanel to recommend incidental set-aside and tolerance levels. The CPSMT notes that incidental catch allowances of up to 45% by weight may be established under the CPS fishery management plan (FMP).

The CPSMT briefly discussed planning for a stock assessment review (STAR) panel in September of 2003. The current plan calls for the Pacific sardine and Pacific mackerel stock assessment data and models to be reviewed and to have results available for management of the 2004 sardine fishery and the 2004-2005 mackerel fishery. The CPSMT will appoint a member to participate on the STAR panel, should the event occur.

While the CPSMT considers the current sardine assessment to be based on the best available information, more data on West Coast sardine stock is clearly needed. Development of an improved coastwide sardine assessment model will depend upon gathering fishery-dependent and fishery-independent data for the northern portion of the stock. Fishery sampling by the states of Oregon and Washington is ongoing, but fishery-independent data for the Pacific Northwest region is sparse. Future research efforts should include adult biomass surveys using trawl gear, sonar, and spotter planes, as well as indirect estimates of spawning stock biomass using plankton nets and egg pumps. The CPSMT urges the management bodies and industry to actively pursue funding, which will be vital to improving the sardine assessment.

PFMC
10/29/02

SCIENTIFIC AND STATISTICAL COMMITTEE REPORT ON PACIFIC SARDINE STOCK ASSESSMENT AND HARVEST GUIDELINE FOR 2003

Dr. Ramon Conser presented the results of the Pacific sardine stock assessment and harvest guideline (HG) for 2003. The assessment model and data analysis are similar to those used in previous years. The analysis included the most recent fishery and survey data. The 2002 sardine stock biomass estimate is approximately one million mt and the recommended HG is 110,908 mt. The SSC endorses the use of this HG for the 2003 Pacific sardine fishery. The 2003 HG is slightly lower than the 2002 HG. However, the actual landings in recent years have been less than the HG, and it is expected the 2003 fishery landings will not be constrained by this reduction in HG. Dr. Conser noted that in future years, however, U.S. fisheries may be constrained by Council HG's if, (1) sea-surface temperature continues to decline – invoking a reduction in the exploitation rate as specified in the FMP's environmentally-based harvest control rule and/or (2) the U.S. sardine fisheries continue to grow at rates of increase comparable to those observed over the last few years. In addition, when viewed on a stock-wide basis, an increase in Mexican harvest to its historic level may affect the U.S. fishery.

A new sardine model and assessment are needed that more thoroughly incorporate the expansion of sardine from its core area (central California through Baja California, Mexico) northward to include Oregon, Washington, and British Columbia, Canada. In December 2002, the Third Trinational Sardine Forum will meet in San Pedro, California. This forum will encourage continuing work on assembling a coastwide sardine database that could be used in a new stock assessment. Fishery independent surveys (as well as continued fishery sampling) from Oregon, Washington, and British Columbia are needed to support new model development. The SSC recommends that funding be secured to conduct simultaneous surveys off Oregon/Washington and the traditional survey area off central/southern California.

The sardine assessment should undergo a STAR panel review in conjunction with the Pacific mackerel assessment in September 2003. The STAR panel would review new model development using data through 2002. The new sardine and revised mackerel models could then be used to establish HGs for the respective 2004 fishing seasons. The SSC will develop terms of reference for the coastal pelagic species STAR panel review for Council consideration at its March 2003 meeting.

PFMC
10/30/02

Exhibit F.2.d
Public Comment 2
October 2002

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Newport, OR 97365
(541) 574-7767

Dr. Hans Radtke, Chairman
Pacific Fishery Management Council
7700 NE Ambassador Place, Suite 200
Portland, OR 97220

Re: Agenda Item F.2.e. Pacific Sardine Stock Assessment and Harvest Guideline for 2003

Dear Mr. Chairman and Council Members:

These comments are presented on behalf of the **West Coast Seafood Processors Association (WCSPA)**. WCSPA represents shore-based seafood processors in Washington, Oregon and California. Specific to the issue of sardine management, these comments reflect a majority opinion of producers who process a major portion of the sardine landed into west coast ports.

WCSPA believes that the Coastal Pelagic Species Fishery Management Plan (CPS FMP) and the National Marine Fisheries Service's (NMFS) implementing regulations for Amendment 8 (published in the Federal Register on December 15, 1999) contain language which allows flexibility when setting the annual harvest guidelines. Specifically, that NMFS has discretionary authority when deciding whether or not to set the one-third, two-thirds allocation scheme in the Pacific sardine fishery for the upcoming season.

WCSPA is strongly urging the Council to recommend that NMFS not implement the one-third, two-thirds allocation between the northern and southern management areas for the 2003 season. This recommendation is both prudent and justified for the following reasons:

- Eliminating the allocation for the 2003 season will prevent a recurrence of the premature closure in the northern management area fishery (Washington, Oregon and Monterey, CA).
- The ongoing process of determining long-term sardine harvest allocation and management will likely not be completed prior to the start of the fishery in the northern management area.
- The 110,908 metric ton (mt) harvest guideline is sufficiently large enough to prevent one management area from usurping the other without a formal allocation system in place.
- Eliminating the allocation for the 2003 season will help ensure that the optimum yield from the fishery is reached.
- Based on the best available data combined with the conservative harvest policy outlined in the CPS FMP, as long as the harvest guideline is not exceeded, there will be no impact on the status of the resource.
- Flexibility exists within the CPS FMP and implementing regulations when setting the annual specifications. The action for NMFS to implement an allocation is a discretionary action.

Eliminating the allocation for the 2003 season will prevent a recurrence of the premature closure in the northern management area fishery

In 2002 the northern management area fishery was closed prematurely on September 14, 2002 when the northern area allocation of 39,418 mt was expected to be reached. Although there was still fish available on the traditional fishing grounds for harvest, markets waiting to buy the fish, sufficient weather conditions to cross the Columbia River bar, and a federal coast-wide harvest guideline which was only 60% utilized, the fishery was still closed. Hundreds of employees (fishing vessels, processing plants, and other secondary and tertiary businesses) lost their jobs in Oregon and Washington and millions of dollars in potential revenue was lost to businesses and coastal communities due to the closure. Fishermen in Monterey, California were forced to stay tied to the dock even though they are licensed for the limited entry fishery, some of them paying several thousand dollars for their permits. Monterey processors were also forced to shut their doors, essentially leaving millions of dollars worth of cannery and other processing infrastructure sitting idle. The Council realized that shutting down the fishery would cause undue economic hardship for the northern management area participants. Ultimately NMFS and the Secretary of Commerce agreed stating in the Federal Register notice implementing the emergency rule to reallocate available sardine resource prior to October 1st, "delaying reallocation will have a negative economic impact on the industry at a time when there is adequate resource available for all users". Catches in the northern management area are expected to exceed levels caught in the truncated 2002 season. The northen allocation, if implemented, would likely be reached prior to September, again resulting in a premature closure and additional economic hardship.

The ongoing process of determining long-term sardine harvest allocation and management will likely not be completed prior to the start of the fishery in the northern management area

Moving through the process of either a regulatory or plan amendment to the CPS FMP will likely take a considerable amount of time, especially if a full plan amendment is necessary to complete the changes. Due to time constraints and certain processes required by law, the plan amendment will not be completed and implemented prior to the start of the sardine fishery in the northern management area. The industry will face the same premature shut down in the northern management area as it did during the 2002 season. Industry will be forced once again to shut their doors while large numbers of fish are still available on the southern allocation. The reallocation would not occur until October 1st. Industry will be forced to request an emergency rule once again from NMFS in order to reallocate available resource prior to October 1st. This arduous and uncertain process can be avoided if no allocation is specified for the 2003 season.

The 110,908 mt harvest guideline is sufficiently large enough to prevent one management area from usurping the other without a formal allocation system in place

The 2003 harvest guideline is approximately 7,500 metric tons less then what was available in 2002, a decrease of about 6%. This reduction is not an indication of a declining biomass, but rather the continued refinement of a past assessment which possibly overestimated the spawning stock biomass. The amount of fish available for harvest is more then enough to satisfy all management areas without a formal allocation.

Eliminating the allocation for the 2003 season will help ensure that the optimum yield from the fishery is reached

If the one-third, two-thirds allocation scheme is implemented in 2003 it will prevent the fishery from obtaining the optimum yield in the 2003 season. This will force a situation where once again large amounts of fish will be left on the table. Between the 2000 and 2001 fisheries 127,000 metric tons were left unharvested. A goal of the FMP and the Magnuson Stevens Fishery Conservation and

Management Act is to ensure overfishing does not occur while achieving on a continuing basis, the optimum yield from the fishery.

Based on the best available data combined with a conservative harvest policy, as long as the harvest guideline is not exceeded, there will be no impact on the status of the resource
In the Federal Register Notice filed on September 20th implementing the emergency rule which reallocated the remaining harvest guideline earlier than October 1st it states:

> **As long as the harvest guideline is not exceeded, there will be no impact on the status of the resource.**

The current stock assessment for Pacific sardine is utilized when determining the coast-wide harvest guideline for the United States (California, Oregon and Washington). To calculate the harvest guideline the stock assessment authors use the maximum sustainable yield control rule defined in Amendment 8 to the CPS FMP. As the stock assessment states, "This formula is intended to prevent Pacific sardine from being overfished and maintain relatively high and consistent catch levels over a long-term horizon". There is a federal coast-wide harvest guideline in place that is intended to include fisheries in Washington, Oregon and California.

Flexibility exists within the CPS FMP and implementing regulations for setting the annual specifications. The action for NMFS to implement an allocation is a discretionary action.
The FMP under section 2.1.1. specifically recognizes that the Council is not required to issue any type of geographic allocation. Clearly the action to implement the one-third, two-thirds allocation while defining annual harvest policies is a discretionary one.

Conclusions

In order to prevent a premature closure of the northern management area fishery and a resulting request for another emergency rule, it is necessary for the Council to recommend to NMFS that no allocation scheme be implemented for the 2003 season, but rather a coast-wide harvest guideline of 110,908 metric tons be utilized by all participants. The harvest guideline is sufficiently large enough that no one sector will usurp the other with no formal allocation in place. As long as the harvest guideline is not exceeded there will be no impact to the resource. The allocation issue is an economic one, not a biological one. WCSPA believes that the flexibility to accomplish this action exists as outlined in both the FMP language as well as the implementing regulations. We strongly urge the Council to recommend that no allocation be implemented with the annual specifications for the 2003 season.

Thank you for your consideration.

Sincerely,

Heather Munro

Heather M. Munro

cc Rod Moore, West Coast Seafood Processors Association

October 28, 2002

<Administrative Record>

Dr. Hans Radtke
Chair
Pacific Fishery Management Council
7700 NE Ambassador Place, Suite 200
Portland, Oregon 97220

Dear Dr. Radtke:

I ask today that the Pacific Fishery Management Council act to prevent a repeat in 2003 of the premature closure of the sardine fishery in the northern area that occurred in 2002. The economic loss suffered by the local communities due to the premature closure of the fishery was significant and unnecessary. The council should take action to prevent it from happening again. I agree with the CPSAS recommendation that there should be no allocation of the 2003 Sardine Harvest Guideline.

Section 4.8.1 of the CPS FMP directs the Council to make recommendations to NMFS on specification issues, including allocations. Part 4 of that section is included here:

> *4. At its first opportunity, the Council will review all information compiled for the annual specifications, consult with its SSC, CPSMT, CPSAS, and hear public comments.* ***The Council also will review any important social and economic information at that time, then make a recommendation to the NMFS Regional Administrator on the final specifications, including OY levels, harvest guidelines, quotas, allocations, and other management measures for the fishing season.***

NMFS does not need to allocate the Sardine Harvest Guideline. Section 5.2 of the CPS FMP authorizes North-South allocations of Pacific sardine, **but it clearly does not mandate the allocations**. Section 5.2 specifically establishes that additional allocation schemes are likely and that they are not precluded. Additional allocations are simply required to be developed in accordance with the FMP.

> **Section 5.2 North-South Allocation for Directed Fishery**
> This FMP **authorizes** allocations of Pacific sardine harvest guideline to participants by northern and southern areas (defined below). **Nothing in this FMP precludes additional allocations based on geographic areas or other factors developed under the authority of the FMP.**

Justification for the Council to recommend no allocation of the Sardine Harvest Guideline is found in the CPS FMP Section 2.1.4 and 1.5. And in the Magnuson-Stevens Act National Standards 1,2,5,8 and 10. These sections are included below, with the pertinent text highlighted:

Section 2.1.4 Allocation

In addition to other requirements in this FMP, the Council will consider the following factors when considering ***direct allocation*** *of the resource:*

1. ***Present participation in and dependence on the fishery, including alternative fisheries.***
2. ***Historical fishing practices in, and historical dependence on, the fishery.***
3. ***Economics of the fishery.***
4. *Agreements or negotiated settlements between the affected participants in the fishery.*
5. *Potential biological impacts on any species affected by the allocation.*
6. ***Consistency with the Magnuson-Stevens Act national standards.***
7. ***Consistency with the goals and objectives of this FMP***

Section 1.5 Goals and Objectives

Goals and objectives for the CPS FMP (not listed in order of priority).

1. ***Promote efficiency and profitability in the fishery, including stability of catch.***
2. ***Achieve OY.***
3. ***Encourage cooperative international and interstate management of CPS.***
4. ***Accommodate existing fishery segments.***
5. *Avoid discard.*
6. *Provide adequate forage for dependent species*
7. *Prevent overfishing.*
8. *Acquire biological information and develop long term research program.*
9. *Foster effective monitoring and enforcement.*
10. ***Use resources spent on management of CPS efficiently.***
11. *Minimize gear conflicts.*

Modification of a direct allocation cannot be designated as "routine" unless the specific criteria for the modification have been established in the regulations

Magnuson-Stevens Act

Section 301 National Standards for Fishery Conservation and Management

(a) In General.—Any fishery management plan prepared, and any regulation promulgated to implement any such plan, pursuant to this title shall be consistent with the following national standards for fishery conservation and management:

(1) ***Conservation and management measures shall prevent overfishing while achieving, on a continuing basis, the optimum yield from each fishery for the United States fishing industry.***

(2) ***Conservation and management measures shall be based upon the best scientific information available.***

(3) To the extent practicable, an individual stock of fish shall be managed as a unit throughout its range, and interrelated stocks of fish shall be managed as a unit or in close coordination.

(4) *Conservation and management measures shall not discriminate between residents of different States. If it becomes necessary to allocate or assign fishing privileges among various United States fishermen, such allocation shall be (A) fair and equitable to all such fishermen; (B) reasonably*

calculated to promote conservation; and (C) carried out in such a manner that no particular individual, corporation, or entity acquires an excessive share of such privileges.

(5) Conservation and management measures shall, consider efficiency in utilization of fishery resources; except that no such measure shall have economic allocation as its sole purpose.

(6) Conservation and management measures shall take into account and allow for variations among, and contingencies in, fisheries, fishery resources, and catches.

(7) Conservation and management measures shall, where practicable, minimize costs and avoid unnecessary duplication.

(8)** Conservation and management measures shall, consistent with the conservation requirements of the Act (including the prevention of overfishing and rebuilding of overfished stocks), **take into account the importance of fishery resources to fishing communities in order to (A) provide for the sustained participation of such communities, and (B) to the extent practicable, minimize adverse economic impacts on such communities.

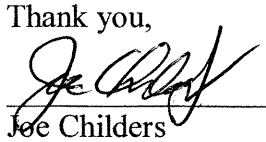
(9) Conservation and management measures shall, to the extent practicable, (A) minimize bycatch and (B) to the extent bycatch cannot be avoided, minimize the mortality of such bycatch.

(10) ***Conservation and management measures shall, to the extent practicable, promote the safety of human life at sea.***

The Council should develop a Sardine allocation plan for the future. The CPSAS has developed a range of alternatives for analysis and I encourage the Council initiate the plan amendment process.

While a new allocation plan is developed under the Socioeconomic Framework of the FMP, no allocation should be made under the existing plan because none is justified. No biological rationale for the present allocation has been provided. The Harvest Guideline has not been achieved in more than 20 years, and it will not be achieved in 2002. Present participation and economic dependence on the fishery is ignored by the existing plan. Adverse economic impact on all of the communities dependent on the sardine fishery will best be served for the time being if no sardine allocation is made for 2003.

Thank you,



Joe Childers
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Seattle, Wa.98115

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October 17, 2002

VIA E-MAIL
VIA FACSIMILE
VIA FIRST CLASS MAIL

Dr. Hans Radtke
Chair
Pacific Fishery Management Council
7700 NE Ambassador Place, Suite 200
Portland, OR 97220

Re: 2003 Pacific Sardine Quota Issue
Agenda Item F.3 Coastal Pelagic Species Management
Our File No. 106640-129862

Dear Dr. Radtke:

I write on behalf of Astoria Holdings, Inc and its owners Jerry Thon and Robert Seidel, with respect to the year 2003 harvest quota for Pacific Sardines on the West Coast of the United States. My clients support the recommendation of the CPS Advisory Panel that the Council adopt a single quota without any geographic split, for the year 2003.

The PFMC has the authority to adopt this quota under its Fisheries Management Plan (FMP) because this is a routine management measure under Section 2.1.1. of the FMP. The FMP specifically recognizes that the Council is not required to issue any type of geographic allocation. The goals and objectives in Section 1.5 of the FMP will be promoted by the adoption of a single quota as recommended by the advisory panel.

"Routine Management Measures" are defined in Section 2.1.1 of the FMP as "those the Council determines likely to be adjusted annually or more frequently." On page 2-3 of Amendment 8 of the FMP, the "specification of annual harvest guidelines or quotas" are classified as routine measures. Section 2.1.3 of the FMP also provides that the "Council may designate a management measure developed and recommended to address social and economic issues as a routine management measure" if Section 2.1.1 applies and is followed.

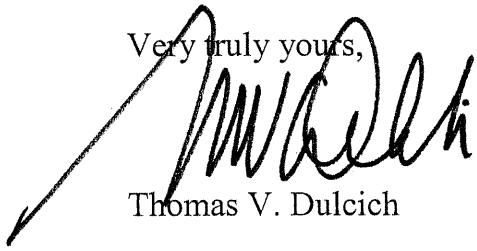
The recommendation for a single annual quota for Pacific Sardines is also contemplated by Section 4.8.1 of the FMP which governs the general procedure for setting annual specifications. The factors to be considered as set forth in Section 4.8.2 all support the recommendation for a single, annual quota. The procedure being followed for the adoption of a single quota for the year 2003 is well within the Council's power under the FMP.

Nothing in the FMP requires the allocation of the quota among geographic areas. The key language is in Section 5.2 of the FMP, which states that it only "authorizes" allocations of the Pacific Sardine harvest guidelines by geographic area. Nothing in the FMP requires the Council to make such an allocation. Indeed, the second sentence of Section 5.2 of the FMP provides that: "Nothing in this FMP precludes additional allocations based on other geographic areas or other factors developed under the authority of this FMP." Allocating a single quota for the entire coast is well within the Council's authority to adopt under the FMP, without any changes to the management plan itself.

The foregoing confirms that the PFMC has more than sufficient legal authority to accept the recommendation of the CPS Advisory Panel to adopt a single quota for Pacific Sardines for the year 2003.

If you have any questions, please feel free to call.

Very truly yours,



Thomas V. Dulcich

TVD:dkg

cc: Mr. Robert Seidel/Astoria Holdings, Inc.
Mr. Joe Childers (via e-mail/mail)

ASTORIA HOLDINGS, INC.

October 16, 2002

Dr. Hans Radtke
Chair
Pacific Fishery Management Council
7700 NE Ambassador Place, Suite 200
Portland, Oregon 97220

Re: Agenda item F.2 Coastal Pelagic Species Management

Dear Dr. Radtke:

At the last council meeting, the Pacific Fishery Management Council and the National Marine Fisheries Service worked together to quickly and efficiently enact an emergency rule to effect an early release of unused sardine allocation from the southern to the northern region. For that we thank you very much. The fishery did close briefly due to the previously announced fishery closure, and unfortunately most of the work force left the area to look for seasonal jobs elsewhere. Nevertheless, some fishing and processing was able to restart after the emergency rule was implemented. More importantly, your quick action helps to keep alive the enthusiasm that this re-emergent fishery has kindled in the region.

We encourage the council to act now to prevent a recurrence of the premature closure situation again in 2003. The CPS Management Team report indicates that the sardine stocks continue to be robust. The 2003-harvest guideline recommendation of 110,908 mt is probably sufficient for the entire sardine industry. The sardine harvest has not exceeded 78,500 mt in more than 20 years. We support the CPS Advisory Panel recommendation that there not be an allocation between regions in 2003.

Whether an allocation is or is not made between regions in 2003, it is still necessary to begin an FMP amendment process to permanently address this problem for the future. Reallocation of the resource to reflect recent participation in the fishery is necessary and we support it. The first step is to establish an allocation to each region that guarantees some stability. We propose an FMP amendment that allocates a divided quota between the regions totaling 80% with the remaining 20% set aside to be used by any region as needed.

Ultimately, this type of a regional allocation may not stop the race for fish especially if stocks are not as plentiful. We believe that the council should be looking at breaking the boom and bust cycle of fisheries. The reemergence of the pacific sardine industry is a fitting place to start the process. We assert that all regions have significant and long-term involvement in the sardine business. If the modern fishery continues to develop, over capitalization will occur creating excess capacity, which will lead to a continued race for

One 9th Street, Astoria, OR 97103 (503) 338-1288
Mailing Address: 12 Bellwether Way #209, Bellingham, WA 98225

fish. This ensures that the maximum value will not be achieved in the fishery, and management costs will soar, value added processing will lag, and ultimately the public will be dragged in to absorb the costs of well intentioned but doomed fishery policy.

Consider that the highest value of the sardine resource today is in the large fish caught in the north. The market for these fish is primarily food and high-end bait. The southern fishery sells its catch of small sardines, for less money, as fish feed. The market for fish feed is not sufficient to absorb all the small sardines available in the south. The food/bait market in the north is valued higher, but the fishery is artificially limited by quota. The result is that the south doesn't catch its quota and the north races for theirs. Because of the race in the north, industry is focused on throughput, not value added processing. The whole situation is wrongheaded.

Some day the market situation or the resource availability will change. We need to think about adding flexibility so that industry can respond to market and resource changes on a real-time basis. Our opinion is that the best long-term solution is a cooperative management system where allocations of quota are shared between fishermen, processors, and communities that are based on historic participation. We feel that allocations should be managed by industry cooperatives similar to those adopted by the North Pacific Fishery Management Council. Most importantly, cooperatives could be allowed to reallocate quota from cooperative to cooperative and from region to region. For example: if cooperatives in the southern region have excess quota this season, they should be able to reallocate it to the north and vice versa. Compensation for the reallocations can be handled through inter co-operative agreements. NMFS and the PFMC can simply manage the resource for optimum yield and sustainability. The allocation process could be accomplished by industry, dynamically, as resources and markets change.

In conclusion, we support the CPS Advisory majority recommendation that no sardine allocation be made in 2003. We encourage the council to begin the plan amendment process to change the sardine allocation process, so that the race for fish is not accelerated unnecessarily. And finally, we hope that the council will start thinking about a completely new paradigm for sardine management. Let the managers focus on the health and sustainability of the resource, and let industry handle the allocations.

Thank you,

Jerry Thon
Vice-President
Astoria Holdings, Inc.

October 22, 2002

F.2.

Dr. Hans Radtke, Chair and
Members of the Pacific Fishery Management Council
7700 NE Ambassador Place, Suite 200
Portland, OR 97220

PFMC FAX: (503) 820-2299

SUBJECT: Need for Pacific Sardine Research and Precautionary Management

Dear Dr. Radtke and Council Members:

I am aware that the Council has received a proposal from Pacific Northwest interests calling for elimination of the current allocation system in 2003. This is due to the presence of considerable biomass again occurring in the ocean waters off northern California to British Columbia, and in light of recent expansion of the sardine fishery in Oregon and Washington, coupled with the desire to further expand the sardine fishery in the Pacific Northwest. Such expansion and presumed increase in quota allocation and changes in current management measures may ultimately be justified, but I urge caution and some additional fact finding before any adjustments to the present management scheme are considered.

I started my career as a fishery biologist in 1960, during the final years of decline of the sardine resource. I witnessed the fishing moratorium that lasted nearly two decades, as well as the recent, episodic recovery of the resource, and have been involved in some of the technical work studying the sardine resource. I had hoped that managers had learned a lesson of caution from the history of this fishery, and certainly also from the histories of the other fisheries that are now in decline in this region.

In the case of sardines the precautionary questions that require answers are:

- What is the relationship of the fish in the northern area to the southern spawning biomass from which the current stock assessments are extrapolated?
- Do the fish in the north spawn in the northern area, and do they over-winter in the Pacific Northwest?
- If so, are they are part of a single northern Mexico-southern California spawning stock?
- Do northern fish return to the southern area to spawn, where they contribute to the biomass assessment in the south and are counted in setting quotas according to the present assessment and harvest rules?
- Do these northern fish spawn to the north and are part of the same exploited stock, but are not counted in the assessment process? If so, the assessment area needs to be expanded to include them, and a new and higher quota may be justifiable.
- Or are these northern fish part of the southern spawning stock that has moved north and do not spawn? If so, are they surplus to the stock?
- Or do they spawn to the north and constitute a separate spawning stock that should be assessed separately and have separate quotas and harvest rules?

At present, the management team expresses a great deal of uncertainty with the current extrapolated stock assessment. Team members acknowledge that assessment limitations include a lack of understanding of the stock structure and migration rates; further, current fishery independent data are limited primarily to southern California. I suspect no one can answer which of the several possibilities listed above (or others) is more nearly correct.

The Council might note, however, that CalCOFI data, which come from 1951 on after the decline of the resource was well underway and the northern fisheries had disappeared, indicate that spawning did not occur north of San Francisco. So until new data are available from the northern areas, it seems prudent that the Council not consider any action other than to seek support to have the necessary research done as quickly as possible, to provide the requisite understanding of the relationship of these northern fish to the southern stock and to the spawning biomass as a whole.

It might be possible to get a quick partial answer by summarizing the occurrence of sardine eggs and larvae in recent (last five years) ichthyoplankton collections from off Oregon and Washington, and gonad indexes from specimens taken in the northern areas. How do egg and larval densities north of San Francisco and south of the Columbia River plume compare to those from the southern California to Monterey area? And what is occurring in the waters north of the Columbia River? What do the gonad data reveal?

I don't know the answer to these questions, but if it turns out that there is little evidence of spawning to the north from the ichthyoplankton data and the examination of specimen fish, then one might consider the likelihood that the fish there are part of the northern Mexico-California stock. In this case the Council should move with great caution until there is some understanding about how these large fish contribute to the spawning biomass. Do they move south to spawn at times? Or are they a senescent biomass that stays north and does not contribute to maintaining the stock?

Thank you for the opportunity to comment. I hope you will take these remarks under consideration and explore ways to obtain the necessary information about the resource before taking any action to encourage further expansion of this fishery in area or in harvest level on the mature stocks, recalling that the FMP when it was developed did not consider the possibility of a major sardine fishery in the area north of California.

Sincerely,

Dr. Frank J. Hester
Apdo. 20
Loreto, Baja California Sur
Mexico

cc: Dr. Bill Hogarth, NMFS
Mr. Rod McGinnis, NMFS, SW Region
Dr. Kevin Hill, CDFG
Senator Dianne Feinstein
Congressman Duke Cunningham

CALIFORNIA WETFISH PRODUCERS ASSOCIATION

2194 SIGNAL PLACE
SAN PEDRO, CA 90731

OCTOBER 25, 2002

DR. HANS RADTKE, CHAIR AND
MEMBERS OF THE PACIFIC FISHERY MANAGEMENT COUNCIL
7700 NE AMBASSADOR PLACE, SUITE 200
PORTLAND, OR 97220

SUBJECT: NEED FOR RESEARCH AND PRECAUTIONARY MANAGEMENT OF THE PACIFIC SARDINE FISHERY

DEAR DR. RADTKE AND COUNCIL MEMBERS,

THANK YOU FOR THIS OPPORTUNITY TO ADDRESS AN ISSUE OF GREAT CONCERN TO CALIFORNIA WETFISH PRODUCERS. THE CALIFORNIA WETFISH PRODUCERS ASSOCIATION REPRESENTS THE MAJORITY OF PROCESSORS AND FISHERMEN WHO PRODUCE SARDINES, MACKEREL AND SQUID IN CALIFORNIA. MEMBERS CURRENTLY INCLUDE THE SOUTHERN CALIFORNIA COMMERCIAL FISHING ASSOCIATION, REPRESENTING THE SAN PEDRO PURSE SEINE FLEET, AND SIX SOUTHERN CALIFORNIA PROCESSORS: STATE FISH COMPANY, TRI-MARINE FISH COMPANY, SOUTHERN CALIFORNIA SEAFOOD, TOMICH BROS. SEAFOOD, CALIFORNIA REFRIGERATED SERVICES/STANDARD SEAFOOD, AND OCEAN GEM SEAFOOD. TOGETHER THESE FISHERMEN AND PROCESSORS PRODUCE, ON AVERAGE, ABOUT 80 PERCENT OF THE SARDINES LANDED IN CALIFORNIA. THESE COMMENTS ARE PRESENTED ON THEIR BEHALF.

AT THE SEPTEMBER COUNCIL MEETING I ADDRESSED THE COUNCIL ON THE IMMEDIATE NEED FOR EXPANDED SARDINE RESEARCH, IN LIGHT OF THE RECENT RAPID EXPANSION OF THE SARDINE HARVEST IN THE PACIFIC NORTHWEST. THE STOCK ASSESSMENT PRESENTED BY THE CPS MANAGEMENT TEAM REINFORCES THE CRITICAL NEED FOR THIS RESEARCH AS SOON AS POSSIBLE.

SARDINE ABUNDANCE WAXES ON WARM-WATER CYCLES AND WANES ON COLD-WATER CYCLES. THE OCEAN APPEARS TO BE ENTERING ANOTHER COLD-WATER CYCLE:

--SARDINE POPULATION GROWTH APPEARS TO HAVE LEVELED OFF;
--THE HARVEST GUIDELINE HAS DROPPED FOR THREE YEARS RUNNING;
--WATER TEMPERATURE HOVERS NEAR THE TRIGGER POINT THAT WILL REDUCE THE HARVEST RATE FROM 15% TO 5%

NEVERTHELESS, PACIFIC NORTHWEST INTERESTS LOBBY TO INCREASE THEIR SARDINE ALLOCATION OF THIS CYCLICAL RESOURCE AT A TIME WHEN VIRTUALLY ALL SIGNS POINT TO THE BEGINNING OF A NATURAL POPULATION DECLINE. THE HARVEST GUIDELINE IS DECLINING AS WELL.

THE CPS MANAGEMENT TEAM EXPRESSES "A GREAT DEAL OF UNCERTAINTY" IN THEIR EXTRAPOLATED STOCK ASSESSMENTS. SCIENTISTS HAVE ACKNOWLEDGED THEY "REEL AT THE PUNY EMPIRICAL SCIENCE AND MASSIVE ASSUMPTIONS THAT THEIR CURRENT WORK ENTAILS." THE CPSMT QUALIFIES THAT THIS WORK MAY BE THE "BEST AVAILABLE SCIENCE" – GIVEN WHAT DATA IS AVAILABLE – BUT AT THE SAME TIME TEAM MEMBERS ACKNOWLEDGE THE STRIKING LIMITATIONS, INCLUDING A LACK OF UNDERSTANDING OF STOCK STRUCTURE AND MIGRATION RATES AND THAT THESE EXTRAPOLATED PROJECTIONS ARE BASED PRIMARILY ON RESEARCH IN THE SOUTHERN CALIFORNIA BIGHT. "BEST AVAILABLE" DOESN'T NECESSARILY MEAN "GOOD."

WHAT IF THE ASSUMPTIONS ARE WRONG? WHAT IF THE MATURE SPAWNING FISH NOW ASSUMED TO MAKE A ONE-WAY TRIP TO THE PACIFIC NORTHWEST ACTUALLY DO RETURN TO SOUTHERN CALIFORNIA TO SPAWN IN THE WINTER? INDEPENDENT SCIENTISTS HAVE WRITTEN LETTERS TO THE COUNCIL TO EMPHASIZE THE NEED FOR EXPANDED RESEARCH NOW. THE MANAGEMENT TEAM ALSO EXPRESSES THE DESIRE AND NEED FOR EXPANDED RESEARCH ON THE PACIFIC NORTHWEST SARDINE RESOURCE.

THE HISTORY OF THE SARDINE FISHERY OFFERS A CLEAR ROADMAP. WE KNOW HOW THIS CYCLICAL RESOURCE BEHAVES IN A COLD-WATER REGIME. NOTWITHSTANDING THE EL NIÑO PROJECTED FOR CALIFORNIA THIS WINTER, MOTHER NATURE'S SIGNS POINT TO THE PROBABILITY THAT THE SARDINE RESOURCE HAS TURNED THE CORNER. CONSIDERING HISTORY, THE EARLY-WARNING SIGNS OF DECLINE AND THE GREAT UNCERTAINTIES EXPRESSED BY THE MANAGEMENT TEAM SHOULD SERVE AS A PROXY FOR "PRECAUTIONARY MANAGEMENT".

I'D LIKE TO CALL YOUR ATTENTION TO THE LETTER SENT BY DR. FRANK HESTER, A SCIENTIST WITH MORE THAN 40 YEARS EXPERIENCE STUDYING SARDINES. HE POINTED OUT A NUMBER OF QUESTIONS THAT SHOULD BE ANSWERED TO BETTER UNDERSTAND AND MANAGE THE SARDINE RESOURCE. IN CONCLUSION HE STATED: "I HOPE YOU ...WILL EXPLORE WAYS TO OBTAIN THE NECESSARY INFORMATION ABOUT THE RESOURCE BEFORE TAKING ANY ACTION TO ENCOURAGE FURTHER EXPANSION OF THIS FISHERY IN AREA OR IN HARVEST LEVEL ON THE MATURE STOCKS, RECALLING THAT THE FMP WHEN IT WAS DEVELOPED DID NOT CONSIDER THE POSSIBILITY OF A MAJOR SARDINE FISHERY IN THE AREA NORTH OF CALIFORNIA."

I ALSO WISH TO CALL TO THE COUNCIL'S ATTENTION THE CPSAS STATEMENT MADE AT THE OCTOBER 8 MEETING. THE ADVISORY PANEL ALSO UNANIMOUSLY SUPPORTED THE IMMEDIATE NEED FOR EXPANDED RESEARCH AND RECOMMENDED THAT THE COUNCIL ENCOURAGE NMFS TO FUND THE EXPANDED SURVEY PROPOSED BY THE SW REGION AND SW FISHERY SCIENCE CENTER. WE SUPPORT THIS STATEMENT AND ENCOURAGE THE COUNCIL TO ACT ON THIS RECOMMENDATION.

HOWEVER, WE POINT OUT THAT SUB-PANEL REPRESENTATION WAS TILTED IN FAVOR OF PACIFIC NORTHWEST INTERESTS WHEN IT VOTED 4-1 TO SUSPEND THE ALLOCATION SYSTEM FOR THE 2003 SEASON. A COAST-WIDE QUOTA WOULD OPEN THE DOOR TO FURTHER EXPAND – AND OVERCAPITALIZE -- THE OREGON / WASHINGTON SARDINE FISHERY IN THE ABSENCE OF RESEARCH TO DETERMINE THE RELATIONSHIP OF THE MATURE SPAWNING FISH IN THE NORTH TO THE BIOMASS AS A WHOLE. THE ENSUING DERBY FISHERY WOULD NOT ENSURE PROTECTION FOR MONTEREY'S FALL HARVEST, AND SUCH EXPANSION COULD PRECIPITATE OR HASTEN THE DECLINE OF THE RESOURCE.

IN LIGHT OF THE MANAGEMENT TEAM'S UNCERTAINTIES AND EXPRESSED LACK OF KNOWLEDGE, AND CONSIDERING DR. HESTER'S STATEMENT ENCOURAGING PRECAUTION UNTIL BASELINE RESEARCH PROVIDES SOME ANSWERS, THE CALIFORNIA WETFISH PRODUCERS ASSOCIATION SUPPORTS THE MINORITY REPORT INCLUDED IN THE CPSAS STATEMENT.

WITH REGARD TO THE 2003 FISHERY, CWPA MEMBERS URGE THE COUNCIL TO EXERCISE PRECAUTION AND MAINTAIN THE STATUS QUO ALLOCATION SYSTEM UNTIL RESEARCH IN THE PACIFIC NORTHWEST PROVIDES NEEDED ANSWERS. WE STRONGLY FEEL THAT IT IS PREMATURE TO MAKE A REASONED DECISION ON ALLOCATION IN THE ABSENCE OF BASELINE RESEARCH ON THE NORTHERN STOCKS; HOWEVER, WE WOULD SUPPORT AN AMENDMENT MODIFYING FMP LANGUAGE TO ESTABLISH AN IN-SEASON ADJUSTMENT MECHANISM, PROVIDING FLEXIBILITY TO NMFS TO MODIFY SUB-AREA ALLOCATIONS IN THE EVENT OF DEMONSTRATED HARDSHIP OR NEED (E.G. ALLOCATE FISH TO MONTEREY IF THE PACIFIC NORTHWEST SUMMER SEASON CURTAILS MONTEREY'S FALL HARVEST). IF THAT OPTION PROVES UNWORKABLE, WE WOULD CONSIDER SUPPORTING AN AMENDMENT TO MOVE UP THE AUTOMATIC REALLOCATION DATE FROM OCTOBER 1 TO SEPTEMBER 1---- FOR THE 2003 FISHERY ONLY, CONDITIONAL ON INCLUDING ADDITIONAL LANGUAGE TO AUTHORIZE THE OPEN HARVEST OF ANY UNUSED QUOTA BY ALL REGIONS EFFECTIVE DECEMBER 1. (WE OPPOSE MOVING THE REALLOCATION DATE TO AUGUST 1 AS THIS WOULD AGAIN ENCOURAGE EXPANSION IN THE PACIFIC NORTHWEST IN THE ABSENCE OF RESEARCH.)

BY WAY OF BACKGROUND ON THE DECEMBER 1 OPEN ALLOCATION, THE CALIFORNIA DEPARTMENT OF FISH AND GAME MADE THIS MANAGEMENT DECISION IN 1998, WHEN SOUTHERN CALIFORNIA UTILIZED ITS ALLOCATION BEFORE THE END OF THE YEAR BUT FISH REMAINED IN MONTEREY'S SUB-QUOTA. IN DEVELOPING THE FMP, CPS ADVISORS DISCUSSED AND APPROVED INCLUDING LANGUAGE TO PROVIDE YEAR-END FLEXIBILITY, HOWEVER THE LANGUAGE WAS OMITTED IN THE FINAL PLAN. I WISH SUCH

FLEXIBILITY WERE AVAILABLE THIS YEAR: SOUTHERN CA LOST 50 PERCENT OF ITS SUB-QUOTA IN THE EMERGENCY REALLOCATION PROCESS; NOW SQUID ARE DISAPPEARING FROM SOUTHERN CALIFORNIA WATERS WITH THE ONSET OF ANOTHER EL NIÑO, AS EXPECTED. THE FLEET WILL FOCUS FULL ATTENTION ON SARDINES, AND OUR REMAINING QUOTA WILL LIKELY BE INSUFFICIENT. THE NORTH WILL NOT UTILIZE ALL OF ITS REALLOCATED SHARE, YET THE SOUTH WILL HAVE NO RECOURSE WITHOUT ANOTHER EMERGENCY REALLOCATION. CLEARLY THIS IS A PROBLEM THAT NEEDS TO BE FIXED IN THE FMP.

IN CONCLUSION, WE RESPECTFULLY REQUEST THAT THE COUNCIL EMPHASIZE TO DR. HOGARTH THE IMPORTANCE OF CONDUCTING EXPANDED SARDINE RESEARCH IN THE PACIFIC NORTHWEST IN 2003/2004. UNTIL SCIENTISTS GAIN DEEPER UNDERSTANDING OF THE RELATIONSHIP BETWEEN THE MATURE NORTHERN SPAWNING STOCK AND THE RESOURCE AS A WHOLE, WE URGE THE COUNCIL TO MAINTAIN THE STATUS QUO ALLOCATION SYSTEM. AS I NOTED, WE WOULD SUPPORT AN AMENDMENT GIVING IN-SEASON FLEXIBILITY TO NMFS. OR IF THAT IS NOT A WORKABLE OPTION, WE WOULD SUPPORT AN AMENDMENT MOVING UP THE REALLOCATION DATE FOR THE 2003 FISHERY FROM OCTOBER 1 TO SEPTEMBER 1, CONDITIONAL ON INCLUDING LANGUAGE TO ALLOW OPEN HARVEST OF ANY UNUSED QUOTA BY ALL REGIONS, EFFECTIVE DECEMBER 1.

THANK YOU ONCE AGAIN FOR THIS OPPORTUNITY TO COMMENT. I WILL PROVIDE OUR FURTHER COMMENTS ON POTENTIAL FUTURE ALLOCATION OPTIONS IN THE APPROPRIATE PUBLIC COMMENT SECTION.

SINCERELY,

Diane Pleschner-Steele

DIANE PLESCHNER-STEELE FOR
CALIFORNIA WETFISH PRODUCERS ASSOCIATION

PACIFIC SEAFOOD GROUP

3220 SW FIRST AVENUE • PORTLAND, OR 97201

(503) 226-2200 • FAX (503) 226-3959

October 29, 2002

Hans Radtke, Chairman & Council Members
Pacific Fishery Management Council
7700 NE Ambassador Place, Suite 200
Portland, OR 97220

Re: Agenda Item F.2.d, Pacific Sardine Stock Assessment and Harvest Guideline for 2003

Mr. Chairman & Council Members:

These comments are respectfully submitted on behalf of the Pacific Seafood Group. The Pacific Seafood Group is a major producer of sardines in the Pacific northwest fishery. Our company received and processed 6,700 st of sardine during the 2002 season. We received product through the Port of Ilwaco in Washington State.

Our comments today are directed toward the premature closure during the 2002 season, the adverse economic impacts caused by that closure, and a request for Council action in order to avoid a recurrence of the events which transpired at the end of the 2002 season.

As you know, the allocation for the northern management area in 2002 was expected to be reached by September 14th and the fishery was subsequently closed in Washington, Oregon, and Monterey, California. Two weeks prior to the shut down, Ms. Heather Munro submitted a request to the National Marine Fisheries Service on behalf of the West Coast Seafood Processors Association asking for emergency action to keep the fishery open by reallocating unused sardine harvest from the south when the northern allocation was reached. Unfortunately, the initial request to NMFS was denied and the fishery was slated for closure. Two weeks later, the Council made a similar request to NMFS to implement the emergency rule. Fortunately, the NMFS and the Secretary of Commerce finally agreed with the need for the emergency rule and early reallocation of sardine. The fishery was reopened on September 20th. However, due to the uncertainty of whether or not NMFS would actually implement the rule, many of the boats that were fishing sardine found it necessary to look for other work. It was not economically feasible to have boats simply tied up waiting for an opening that was not sure to come. In turn, processing plant workers had to be laid off. When the fishery finally did reopen it was to late to pick up where the industry had left off. Pacific Sardine and Del Mar diligently worked with vessel owners that were willing to wait around, without any profit, in hope that

some reallocation would be approved and that the weather would be cooperative so that they could catch enough sardine to make up losses. Pacific had limited success in getting vessels to stay around. Pacific was even less successful in getting skilled plant workers to wait around without any guarantee that we would be able to start up sardine production again. Pacific was placed in a difficult position of having to decide whether we should let skilled workers go or find acceptable work enough to keep them around. Overall, we lost approximately 3,000 mt equaling US$2,000,000. As you know this dollar amount translates into a much higher amount in coastal communities.

While we support the ongoing effort to amend the Coastal Pelagic Species Fishery Management Plan (FMP), in order to address the existing issues of concern regarding the antiquated allocation scheme in place, this process will likely not be completed prior to the start of the Pacific northwest fishery. Even more concerning is the very real possibility that Monterey will continue catching sardine through March of the 2003 season, utilizing a good portion of the northern allocation. This will likely cause a race for fish once the Pacific northwest fishery opens in late May or June.

Regardless, it is a fact that the northern allocation for 2003 (approximately 36,969 mt) will be caught prior to the reallocation of unused sardine harvest on October 1st. The industry in Washington, Oregon and Monterey, California will be forced to shut down while large amounts of fish will still be available for harvest off the coast-wide harvest guideline. The industry will be forced once again to request an emergency rule to reallocate early in order to prevent a premature closure. We believe that there is flexibility within the FMP that allows NMFS not to implement the one-third, two-third allocation during the setting of the annual specifications. We strongly urge the Council to recommend to NMFS that they not set this allocation for the 2003 season. The harvest guideline for 2003 is similar to that of 2002 and is obviously sufficient for all sectors of the industry if no formal allocation is put into place. Eliminating the allocation for 2003 will provide the industry with a chance at reaching optimum yield, something that has never been accomplished under federal fishery management. Implementing the allocation will prevent optimum yield from being reached and will force a premature shut down once again in the northern management area.

This issue is purely economic, not biological. In the Federal Register notice published by NMFS implementing the emergency rule in 2002 it states:

The harvest guideline is not likely to be reached by the end of the fishing season on December 31, 2002; however, allocating the unharvested portion earlier than the scheduled date so that existing markets can be satisfied will increase the likelihood of achieving optimum yield. As long as the harvest guideline is not exceeded, there will be no impact on the status of the resource.

This statement was true in 2002 and will be true again in 2003. As long as the harvest guideline is not exceeded there is no impact on the status of the resource. We would ask the Council to consider the many justifications for not

setting a formal allocation for the 2003 season, then consider the alternative management mess that implementing the allocation will cause. We strongly urge the Council to recommend to NMFS that the action to implement a formal allocation is discretionary and that they exercise their power not to implement an allocation for the 2003 season.

Thank you for your consideration.

Sincerely,

Frank Dulcich
President & CEO

Supplemental Public Comments
Oct. 2002

SCHWABE, WILLIAMSON & WYATT, P.C.

ATTORNEYS AT LAW

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presented by Bob Seidel

THOMAS V. DULCICH
Admitted in Oregon and Washington
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E-Mail; tdulcich@schwabe.com

October 28, 2002

VIA E-MAIL
VIA FACSIMILE
VIA FIRST CLASS MAIL

Rodney R. McInnis
Acting Regional Administrator
National Marine Fisheries Service
Southwest Region
501 West Ocean Boulevard, Suite 4200
Long Beach, CA 90802-4213

Re: 2003 Pacific Sardine Quota Issue

Our File No. 106640-129862

Dear Mr. McInnis:

I write on behalf of Astoria Holdings, Inc and its owners Jerry Thon and Robert Seidel, with respect to the year 2003 harvest quota for Pacific Sardines on the West Coast of the United States.

I understand NMFS's apparent position on process requirements for changing sardine allocation to require "notice and comment rulemaking" within the Socioeconomic Framework of the FMP (section 2.1.3). However, the Socioeconomic Framework allows for abbreviated rulemaking actions (section 2.1). Moreover, federal court of appeals decisions provide for abbreviated rulemaking. In 1996, the Commerce Department instituted a new "Framework" rulemaking procedure allowing the regional regulatory authorities to amend fishing regulations "at any time." *The Gulf of Maine Fishermen's Alliance v. William C. Daley*, 292 F.3d 84, 86-7 (1st Cir. 2002). This abbreviated procedure allows regional councils to adjust fishing restrictions over the span of two regular monthly meetings with the inclusion of timely public notice of any proposed change in regulations and public comment prior to and at the second meeting. *Id.* This abbreviated process would speed up the implementation period substantially by avoiding the public review process of the proposed rule.

Another alternative is to move by emergency rulemaking as you did last month.

I urge you to adopt the swiftest rulemaking process in order to prevent extended damage and loss to industry participants and the communities. If you have any questions or comments, please feel free to call.

Very truly yours,

Thomas V. Dulcich

TVD:rhh

PACIFIC SARDINE STOCK ASSESSMENT AND HARVEST GUIDELINE FOR 2003

Situation: Per the coastal pelagic species (CPS) fishery management plan (FMP) annual cycle, the Council is scheduled to review the Pacific sardine stock assessment and adopt a recommendation to the U.S. Secretary of Commerce for a harvest guideline for the 2003 Pacific sardine fishing season. The current harvest guideline (which expires December 31, 2002) is 118,442 mt (based on a biomass estimate of 1,057,599 mt). The 2002 stock assessment and 2003 harvest guideline recommendation are summarized in Exhibit F.2.b.

Per the FMP, the harvest guideline is annually divided between northern and southern sub-areas. For 2002, the north and south allocations were 39,481 mt and 78,961 mt, respectively. The location dividing the northern and southern subareas is Point Piedras Blancas, on the central California coast.

The Scientific and Statistical Committee (SSC), CPS Management Team (CPSMT), and the CPS Advisory Subpanel (CPSAS) have reviewed the assessment and the recommended harvest guideline. They will present their respective advice to the Council. The advisors will also present information on establishment of a CPS stock assessment review (STAR) process and schedule.

In setting the harvest guideline for 2003, the Council might consider including incidental catch allowances, which would provide for incidental landings of Pacific sardine in CPS fisheries. The CPSMT and CPSAS will provide their recommendations on incidental allowances.

Council Action:

1. **Adopt harvest guideline for 2003**.

Reference Materials:

1. Exhibit F.2.b, Supplemental Status of the Pacific Sardine Resource and Fishery in 2002 With Management Recommendations for 2003.
2. Exhibit F.2.c, Supplemental SSC Report.
3. Exhibit F.2.c, Supplemental CPSMT Report.
4. Exhibit F.2.c, CPSAS Report.

Agenda Order:

a.	Agendum Overview	Dan Waldeck
b.	Report of Stock Assessment Team	Ray Conser
c.	Reports and Comments of Advisory Bodies	
d.	Public Comment	
e.	**Council Action:** Adopt Harvest Guideline for 2003	

PFMC
10/16/02

COASTAL PELAGIC SPECIES MANAGEMENT TEAM REPORT ON CONSIDERATION OF LONG-TERM SARDINE HARVEST ALLOCATION

The Coastal Pelagic Species Management Team (CPSMT) recently met to discuss issues related to long-term sardine harvest allocation. The CPSMT has reviewed the problem statement and allocation alternatives developed by the CPSAS, along with the Council's direction to consider the types of analyses that would be necessary to change the current management scheme in a fishery management plan (FMP) or regulatory amendment. As requested, this report will summarize current and needed research on the sardine stock and will highlight biological and economic issues the CPSMT views as pertinent to analyzing allocation alternatives.

Sardine Biology and Harvest Allocation

The Pacific sardine population has increased in biomass and geographic range along the West Coast of North America for the past 30 years. For management purposes, there are considered to be two stocks, one in Mexico's Gulf of California and the other along the Pacific coast from Baja California to British Columbia. While differences have been observed in the size and age compositions of the population at the northern and southern extremes of the coastal stock, there currently is no definitive information available regarding exact positions or migrations of the northern and southern stocks and further, no realistic management scheme that has been field-tested regarding managing a segmented fishery. Early stock composition work was done when the total biomass and geographic distribution was quite limited.

The Pacific sardine population is well-studied off southern and central California through California Cooperative Oceanic Fisheries Investigations (CalCOFI) cruises, which began in 1951. The April CalCOFI cruise, critical to indirect estimation of spawning stock biomass, spans from San Diego to San Francisco and offshore 200 to 300 miles. The Canadian Department of Fisheries and Oceans has conducted swept area surveys around Vancouver Island for the past several years. No fishery-independent surveys currently exist for the Oregon-Washington area. Port samples of biological data are taken by the states of California, Oregon, and Washington and thus, time series of size and age compositions for the U.S. directed sardine fisheries are available. However, scientists have only a very limited understanding of population dynamics (e.g., biomass and migration) for the stock, and available information on coastwide biomass and distribution will be inadequate for addressing detailed spatial allocation options.

One potential biological concern is there may be two interbreeding sub-stocks off the West Coast – one that spawns in cooler waters off California (and northern Baja) in the spring, and another that spawns in warmer waters off Mexico (and southern California) in summer. If, for example, the southern stock grows rapidly and matures at relatively young ages and the northern stock grows more slowly and generally matures at older ages, then the joint productivity could be curtailed by harvest guidelines that do not account for these dynamics in some fashion. Another potentially problematic scenario would be if high biomass associated with the northern stock translated to harvest guidelines that ultimately, resulted in recruitment overfishing in the south and near the coast: similarly, the impact of a heavily exploited fishery at the northern limits could materially curtail the egg production in the spawning area. In other words, there are potentially negative impacts of differential harvest rates on age groups north to south. Over-harvest of older, high fecundity fish to the north may affect biomass and productivity (at least for the short-term), but long-term effects on stock productivity are strictly unknown at this time. Conversely, a large portion of smaller, partially immature sardine (ages 0- and 1 year) is taken by the southern California fishery. Over-harvest of immature fish could have numerical implications for future spawning stock abundance. It is not possible to quantify these consequences, given the limited understanding scientists currently have regarding this species' distribution and seasonal migration habits along the West Coast.

For the coming year, scientists at the Southwest Fisheries Science Center are proposing to conduct (offshore) direct and indirect sampling of adult fish in waters off the Pacific Northwest during July, when fishing pressure is typically the highest. These results will be compared to a similar (offshore and coastal) survey that is conducted in January, in efforts to examine the proportion of sardines that are hypothesized

to migrate southward for spawning in the ensuing spring. Eventually, it maybe necessary to explore the genetic composition of the stocks and methods for determining the presence of these stocks in areas where migration and mixing are possible, although there are no research plans currently underway to accomplish this goal.

Socioeconomic Analyses

An economic analysis of north-south sardine allocation options should focus on the economic values of the incremental production of sardine products, under each allocation option, as measured by changes in short-run profits to producers (Regulatory Flexibility Act [RFA]), and changes in net benefits to the nation (producer surplus) (Regulatory Impact Review [RIR]). The problem is to determine, for the northern and southern sectors of the fishery, the relative harvests of sardine, the quantities of the different processed products, the revenue received for these products and the costs of producing the products under each allocation alternative, and to then calculate the change in short-run profitability and producer surplus from the status quo (no action alternative). The analysis should encompass processors since it is anticipated that differences in net economic values between the two sectors are mainly determined at the exprocessor level. Consumer surplus, the analog of profits to the consuming sector, will not be considered since final product markets are mainly overseas, and therefore, benefits do not accrue to domestic consumers.

This analysis will obviously require detailed, representative cost and earnings data for the sardine harvesters and processors that comprise each fishery sector. An effort will soon be underway to collect these data for sardine harvesters through a coastwide cost-earnings survey of the CPS purse seine fleet. There are no plans to conduct cost-earnings surveys of processors at this time, which as indicated above, could severely constrain the analysis. In the event that cost data are not available on a timely basis, the analysis would focus on the revenue differences between the two sectors (assume no difference in costs) at the harvesting level (exvessel revenues from the [Pacific Coast Fisheries Information Network [PacFIN] data base) and the processing level (value of exports).

The impact of allocation alternatives on CPS fishing communities should also be taken into account (community impacts, NS-8 requirement). Community impacts can be evaluated using various economic impact "multipliers" to gauge the affects of allocation options on the level of economic activity within a particular area, i.e., evaluating the impact (say increase or decrease) to economic activity in a given area associated with different allocation schemes (say increasing or decreasing landings) in that. Some of the applicable multipliers necessary for such an evaluation are available in the Council's "Draft Communities Document" and from the West Coast Fisheries Economic Assessment Model.

Limiting rapid expansion of capacity in the northern fishery should also be explored. Notably, what will happen to this harvesting and processing capacity if sardine availability to the northern fishery ebbs? The Council has recently invested over two years in developing Amendment 10, which established a capacity goal for the CPS limited entry fishery. Is there a similar concern for over-developing capacity in the Pacific Northwest?

General Issues

A central question remains, what management regime provides the Council flexibility to fully achieve the available harvest, while ensuring conservation of the resource and equitable access to the fishery coastwide? Is it preferable to "hardwire" an allocation in the FMP, rather than building a flexible system that conserves the resource and generally provides an approach for achieving optimum yield. There are at least four "moving targets" in this fishery, (1) the population biomass, which can vary considerably when measured on a decadal scale; (2) distribution of a target stock (both north-south and onshore-offshore), which varies seasonally and yearly; (3) a mobile CPS fleet, some of which moves among management sub-areas; and (4) international market forces. The CPSMT recommends the FMP be made more flexible in order to accommodate these dynamics without regular FMP amendments.

Another outstanding issue that remains unresolved is whether an allocation change would require an FMP or regulatory amendment? Generally, the analytical requirements would be similar, but an FMP amendment would take longer due to public review requirements. To facilitate work on analysis of these allocation considerations, NMFS needs to determine if an FMP amendment or regulatory amendment is required. Guidance from NMFS on use of the FMP's "socioeconomic point of concern" framework is also needed.

Finally, if at all possible, the CPSMT requests the CPSAS narrow the number of options that have been currently tabled for analysis.

Appendix - Allocation language excerpted from the CPS FMP:

2.1.4 Allocation

In addition to other requirements in this FMP, the Council will consider the following factors when considering direct allocation of the resource:

1. Present participation in and dependence on the fishery, including alternative fisheries.
2. Historical fishing practices in, and historical dependence on, the fishery.
3. Economics of the fishery.
4. Agreements or negotiated settlements between the affected participants in the fishery.
5. Potential biological impacts on any species affected by the allocation.
6. Consistency with the Magnuson-Stevens Act national standards.
7. Consistency with the goals and objectives of this FMP.

Modification of a direct allocation cannot be designated as "routine" unless the specific criteria for the modification have been established in the regulations.

PFMC
10/29/02

Exhibit F.3.d
Public Comment
November 2002

STATE FISH COMPANY, INC.

October 8, 2002

Dr. DONALD McISAAC
PACIFIC FISHERY MANAGEMENT COUNCIL
7700 NE Ambassador Place, Suite 200
Portland, OR 97220-1384

Dear Dr. McISAAC,

During the early 1980's, California fishermen reported, "you can walk on the sardines". The California Department Of Fish and Game did not open the fishery, citing the need for mandatory research first.

To help the Department "see what the fishermen were seeing, the California wetfish industry contributed financially: supported spotter planes to expand biomas surveys, contracted for independent research(which led to the CANSAR stock assessment model), and paid -- and still pays -- disproportionately high fish tax of $13 per ton -- which has generated more than $2 million to the State in the past three years.

Enter Oregon and Washington –
No egg studies, virtually no understanding of the cyclical nature of the resource or the biological impact of rapidly expanding their take and processing capacity and crying for more.
Now the "Government", with the blessing of the California Dept of Fish and Game, implements an emergency reallocation for sardines in the north, after lobbying effort by Pacific Northwest interests disguised as "economic hardship" persuades the National Marine Fisheries Service to reverse its earlier denial of the emergency reallocation request. NMFS' initial denial was based in large part on not wanting to further expand the "new" fishery until research determines the relationship of the mature fish to the resource as a whole. Pleas of poverty notwithstanding, the fact is that Oregon and Washington had a banner sardine season -- their summer season preempted the fall fishery in Monterey. This rapid expansion in the absence of research jeopardizes the resource -- it comes at the expense of the traditional California fishery. In the historic sardine fishery California produced 97 percent of US sardine landings. Oregon and Washington accounted for 3 percent.

The quota is dropping again in 2003, and there will surely come a time when the harvest percentage drops from the current 15 percent to 5 percent of the biomas, and California will again not be able to fish, not only sardines but mackerel and squid as they are sometime mixed.

- **Especially in light of sardines "rehabilitated" status, how can the Department justify encouraging a fishery in Oregon and Washington without first conducting even elemental baseline research on the stocks?**
- **How is it that the protocol for fisheries management is not applied evenly for the same fishery but in different geographic areas ? Is economic hardship now a basis to open a fishery ?**

2194 SIGNAL PLACE, SAN PEDRO, CA 90731 TELEPHONE 310-732-4433
FAX 310-732-4407

STATE FISH COMPANY, INC.

Sardines are an historic and cultural resource as well as economically valuable both to the fishing industry and the State of California. Since before the turn of the 20th Century, the wetfish industry has been the foundation of California's fishing industry. Wetfish, including sardines, still represent more than 80 percent of total California commercial fishery landings. In 2000 wetfish fisheries represented nearly 30 percent by value of the total commercial catch. The emergency reallocation recently announced by NMFS, and supported by Department of Fish and Game, represents a potential loss to California sardine landing taxes.

I would like to discuss options that maintain access to sardine quota for California.
Is there a time I may call you and discuss this?

Thank you.

Regards,
Vanessa DeLuca
State Fish Company, Inc.
San Pedro, California

2194 SIGNAL PLACE, SAN PEDRO, CA 90731 TELEPHONE 310-732-4433
FAX 310-732-4407

Dr. Donald McIsaac, Executive Director
Pacific Fishery Management Council
7700 NE Ambassador Place, Suite 200
Portland, OR 97220-1384

LMR fisheries research, inc.

Subject; Need For Additional Pacific Sardine Resource Research

Dear Dr McIsaac and Council Members:

LMR Fisheries Research, Inc. has been involved in fish and shellfish resource evaluations since 1969. One of our many primary research projects has been the Pacific sardine (Sardinops sagax) in the eastern Pacific coastal pelagic fisheries. It was LMR staff that developed, under contract, the sardine stock assessment model "CANSAR" in 1992. At that time only the southern stock was in the research. However, today there are believed to be two "stocks" or "subpopulations"of this species off the west coast. Now a more advanced "two-area" model is utilized for the annual assessments.

The purpose of this letter is to firmly suggest the current need for more extensive at-sea research into the two-stock theory--one in the north consisting mostly of large, mature fish and a southern population of mostly small individuals. First-are these "subpopulations"real, if so, are they separated because of the oceans climatic differences or because of biological variances? Can overfishing in either geographic region affect the other or are they tied together biologically and only separated by oceanic habitats?

The Pacific sardine resource has been one of the most robust fish populations in the eastern Pacific region recently and it would be disastrous to repeat the collapse of the resource as occurred in the decades of the 1950's and 1960's. Biologists need to know much more, especially about the northern "stock," to help manage this fishery for tomorrow.

By this letter I wish to encourage the Council to fully support the additional research required on the sardine "two-stock" theory or concept for management purposes to hopefully avoid a potential overfishing problem and to request the National Marine Fisheries Service to fund the research. This research should be carried as soon as possible-at least by next year.

Thank you for allowing LMR to present its views on this important fishery resource matter.

Sincerely,
Charles Peckham
President, LMR Fisheries Research, Inc.

CC: Dr. Bill Hogarth, NMFS
Rod McInnis, NMFS SW Region
Kevin Hill, Cal.Dept. Fish and Game
Senator Dianne Feinstein
Cong. Duke Cunningham

2658 DEL MAR HEIGHTS ROAD • PMB 212 • DEL MAR, CALIFORNIA 92014 • TELEPHONE (858) 792-8515

Manana Bait Co., Inc.

735 Industrial Ave.
Port Hueneme, CA 93041
805 488-4911

October 21, 2002

Dr. Hans Radtke
Pacific Fisheries Management Council

Dear Sirs:

I am a holder of a Coastal Pelagics Limited Entry Permit from the National Marine Fisheries Services. It is one of approximately 68. I understand that there are boats in Washington and Oregon that are fishing sardines under a state issued permit. They are catching these fish without a federal permit and they are being counted against a quota that is issued to boats that are federally regulated. Why is that? These boats are stealing fish from our quota without permits. This cannot be legal.

The federal management should include the area all the way to the Canadian border. It seems to me that if the quota is 118,000 tons it should be caught by boats with a federal permit and counted as federally regulated in order to be valid.

I am unable to attend the meeting Oct. 30, 2002 in San Francisco to talk to you in person and would appreciate contact from the Council answering these questions.

Thank you for your consideration.

Sincerely,

John Gingerich

STATE FISH COMPANY, INC.

Dr. Hans Radtke, Chair and
Members of the Pacific Fishery Management Council
7700 NE Ambassador Place, Suite 200
Portland, OR 97220

PFMC FAX: (503) 820-2299

Subject: Long term Pacific Sardine management

Dear Dr. Radtke and Council Members:

The rapid increase in fishing effort on Pacific sardine stocks in Oregon and Washington threatens to repeat the devastation of sardine stocks in the absence of a revised, organized management plan based on research and discussion of the issues, by various user groups. The push for an immediate reallocation of sub quotas is premature, bypassing existing laws, science and common sense in a fatally flawed effort to placate local constituencies.

The historic California sardine fishery has come full circle, from heavy over fishing in the 50's, collapse, and eventual rehabilitation. The rehabilitation came as a direct result of a collaborative effort by the California Dept. of Fish and Game and the California sardine industry. A scientifically sound model was developed based on sampling in the South. The new fishery in the Pacific Northwest must be incorporated into this model in order to make management decisions based at least on some facts and not simply the request of a particular user group. The scientific community almost unanimously expresses the need for risk assessment of heavy fishing on this previously ignored stock.

The sardine biomass is declining and is expected to drop further in this cold water cycle, yet the National Marine Fisheries service, via the Coastal Pelagic Species Management Team, is encouraging fishing effort. There has been an increase in the number of "experimental" permits, and increasing investment in processing and freezing. And an emergency reallocation 1 week before its mandated date.
This increasing capitalization puts pressure on investors to catch more fish.

The proposals offered are all variations on how to move quota to the North
Any proposal must incorporate the new northern fishery into the scientific model developed for the south.
We have the science to do what we are doing
Where is the science to do what we want to do?
National Marine Fisheries has done this with other fisheries and no valid reason exists for failing to do so in this instance.

The economic hardship created by the collapse of ground fishery in Oregon and Washington is not a reason to punish California wetfish producers. As quota decreases the southern fishery will loose its ability to catch mackerel and squid due to by catch of sardines - a phenomena experienced by the traditional California harvesters in the 80s and 90s

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STATE FISH COMPANY, INC.

The vast majority of California fishermen and processors believe the allocation must remain the same for this year.
In the event a reallocation is appropriate before a long-term plan is developed, then a flexible scheme to adjust sub quotas should be developed and administered by National Marine Fisheries Southwest region.

It is premature to suggest reallocation. There is a need to draft a list of issues and scenarios and discuss advantages and risks resulting in a revised plan that incorporate the new expanded fishery in the Northwest. Let's not repeat our mistakes on sardine management.

With Thanks,

V DeL

Vanessa DeLuca

Cc: Dr. Bill Hogarth, NMFS
Rod McInnis, NMFS SW Region
Dr. Kevin Hill, CDFG
Senator Dianne Feinstein
Cong. Duke Cunningham

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EXHIBIT F.3.D
SUPPLEMENTAL PUBLIC COMMENT
OCTOBER 30, 2002

CALIFORNIA WETFISH PRODUCERS ASSOCIATION

2194 SIGNAL PLACE
SAN PEDRO, CA 90731

OCTOBER 25, 2002

DR. HANS RADTKE, CHAIR AND
MEMBERS OF THE PACIFIC FISHERY MANAGEMENT COUNCIL
7700 NE AMBASSADOR PLACE, SUITE 200
PORTLAND, OR 97220

SUBJECT: CONSIDERATION OF LONG-TERM SARDINE ALLOCATION

DEAR DR. RADTKE AND COUNCIL MEMBERS,

AGAIN, MANY THANKS FOR THIS OPPORTUNITY TO PRESENT THE VIEWS OF SOUTHERN CALIFORNIA WETFISH PRODUCERS. AS WE AND OTHER MEMBERS HAVE INDICATED, WE FEEL THE PUSH FOR AN IMMEDIATE REALLOCATION OF SUB-QUOTA—OR SUSPENSION OF THE ALLOCATION SYSTEM, WHICH HAS THE SAME EFFECT--IS PREMATURE IN THE ABSENCE OF FIELD RESEARCH ON THE THE LARGE, MATURE NORTHERN SARDINE STOCKS.

THE PACIFIC NORTHWEST SARDINE FISHERY HAS DEVELOPED OUTSIDE THE GUIDANCE OF THE FEDERAL CPS FMP, WHICH MANDATED A LIMITED-ENTRY PROGRAM FOR CALIFORNIA. MOREOVER, VIRTUALLY NO RESEARCH HAS BEEN DONE TO DATE ON SARDINE STOCKS OUTSIDE SOUTHERN CALIFORNIA.
WE FEAR A CONTINUATION OF THE RAPID EXPANSION OF THE PACIFIC NORTHWEST FISHERY AT THIS TIME--CONSIDERING INDICATIONS THAT THE SARDINE POPULATION MAY HAVE BEGUN ITS NATURAL DECLINE--THREATENS THE FUTURE OF THE SARDINE RESOURCE AS WELL AS THE TRADITIONAL CALIFORNIA FISHERY.

PLEASE CONSIDER THE ECONOMIC IMPORTANCE OF SARDINES TO CALIFORNIA:

--SARDINES HAVE BEEN THE FOUNDATION OF CALIFORNIA'S FISHING INDUSTRY SINCE THE EARLY 1900S. IN THE HISTORIC FISHERY CALIFORNIA LANDED MORE THAN 97 PERCENT OF THE U.S. CATCH FROM 1916-1968.
--CALIFORNIA'S WETFISH INDUSTRY REPRESENTS 84 PERCENT OF TOTAL COMMERCIAL FISHERY LANDINGS TODAY.
--SARDINES ARE AN INTEGRAL COMPONENT OF CALIFORNIA'S WETFISH INDUSTRY; THE EX-PROCESSOR VALUE OF THIS INDUSTRY TO THE STATE IS ESTIMATED AT MORE THAN $90 MILLION ANNUALLY.
--SARDINE LANDING TAXES CONTRIBUTE MILLIONS OF DOLLARS TO THE STATE—MORE THAN $2 MILLION IN THE PAST THREE YEARS.
--CALIFORNIA HAS ALREADY PAID A HIGH PRICE FOR SARDINE RECOVERY, AND WE DON'T WANT TO GO THERE AGAIN.
--ON AVERAGE, ABOUT 80 PERCENT OF CALIFORNIA'S SARDINE HARVEST IS LANDED IN SOUTHERN CALIFORNIA.

ANOTHER IMPORTANT POINT:
PACIFIC SARDINES FILL INTERNATIONAL MARKETS – AND THESE MARKETS WERE DEVELOPED LARGELY BY CALIFORNIA'S WETFISH INDUSTRY: LARGER FISH TYPICALLY GO TO JAPAN FOR HUMAN CONSUMPTION AND HAND-PACKED LONG-LINE BAIT; LARGE AND SMALLER FISH ARE CANNED, BOTH FOR HUMAN CONSUMPTION AND PET FOOD; SOME SARDINES ARE FROZEN IQF; SOME ARE PROCESSED H&G AND EXPORTED FOR CANNING OVERSEAS; SOME ARE BLOCK-FROZEN FOR EXPORT-- FOR CANNING OVERSEAS FOR HUMAN CONSUMPTION, AND ALSO FOR BAIT, FISH AND ANIMAL FEED.

SOUTHERN CALIFORNIA PRODUCERS FILL VIRTUALLY ALL THESE MARKETS – THEY DON'T JUST PACK FROZEN BLOCKS FOR TUNA BAIT. FURTHER, MONTHLY LANDINGS RECORDS ILLUSTRATE THAT SOUTHERN CALIFORNIA'S SARDINE FISHERY IS ACTIVE DURING LATE SUMMER-FALL, WINTER AND SPRING SEASONS -- MOST MONTHS OF THE YEAR--NOT JUST THE FIRST THREE MONTHS. THE RECENTLY DEVELOPED FISHERY IN OREGON AND WASHINGTON NOW COMPETES WITH CALIFORNIA'S TRADITIONAL SARDINE FISHERY IN MOST, IF NOT ALL, OF THESE MARKETS.

THE COUNCIL HAS HEARD ARGUMENTS THAT REALLOCATION IS NECESSARY TO ACHIEVE OPTIMUM YIELD, SINCE SOUTHERN CALIFORNIA IS "LEAVING A LOT OF FISH ON THE TABLE."
I'D LIKE TO POINT OUT THAT SOUTHERN CALIFORNIA DID UTILIZE ITS FULL ALLOCATION IN 1998, PLUS SOME OF MONTEREY'S UNUSED QUOTA. THAT YEAR THE QUOTA WAS 47,987 SHORT TONS.
IN 1999, THE YEAR THE SARDINE RESOURCE WAS DECLARED RECOVERED, SCIENTISTS FIRST ATTEMPTED TO EXTRAPOLATE A COAST-WIDE BIOMASS FROM SOUTHERN CA RESEARCH DATA. THE QUOTA JUMPED TO 132,762 SHORT TONS. THIS AND SUBSEQUENT YEAR EXTRAPOLATED HARVEST GUIDELINES ARE THE NUMBERS THAT THE MANAGEMENT TEAM EXPRESSES A "GREAT DEAL OF UNCERTAINTY" ABOUT.

I ASKED PROCESSORS WHY THEY WEREN'T USING MORE OF THEIR ALLOCATION NOW AND THEY NOTED AN INCREASE IN SMALLER FISH IN THE PAST FEW YEARS; WHEN SMALLER FISH SHOWED UP, THEY TOLD THE BOATS NOT TO GO OUT FOR SARDINES. CATCH AT AGE GRAPHS FROM DOCKSIDE SAMPLES TEND TO ILLUSTRATE THIS TREND SINCE THE 1998 EL NIÑO.

SARDINE'S ARE A CYCLIC, PELAGIC RESOURCE . THEY MOVE NORTH, AND ACCORDING TO HISTORICAL ACCOUNTS, THEY ALSO RETURN SOUTH. SARDINE ABUNDANCE IS RELATED TO WARM-WATER CYCLES.
IT SEEMS LIKELY THAT THE 1998 EL NIÑO PUSHED THE POPULATIONS OF BOTH SARDINES AND MACKEREL INTO NORTHERN WATERS. I KNOW WE'RE NOW CRYING FOR MACKEREL IN SOUTHERN CALIFORNIA, BUT CATCHES ARE SPORADIC. YET OBSERVERS NOTE INCIDENTAL CATCHES UP TO 50 PERCENT MACKEREL IN THE PACIFIC NORTHWEST SARDINE HARVEST.

WE KNOW THAT THE NEW NORTHERN SARDINE FISHERY TARGETS PRIMARILY MATURE, OLDER, LARGER FISH; SMALLER FISH TEND TO BE MORE PREVALENT IN THE SOUTHERN FISHERY, ALTHOUGH THE CALIFORNIA FISHERY ALSO HARVESTS SOME LARGER FISH AT TIMES.
HIGH CATCHES IN THE NORTH CONSTRAIN PER CAPITA SPAWNING STOCK (THESE FISH CAN SPAWN 40 TIMES A YEAR); HIGH CATCHES IN THE SOUTH CONSTRAIN SURVIVAL OF YOUNG FISH (CAPABLE OF SPAWNING 6 TIMES A YEAR) AND FUTURE SPAWNERS. WE DON'T WANT TO OVER-FISH AT EITHER END OF THE SPECTRUM.

THE SOUTHERN FISHERY HAS EXERCISED RESTRAINT IN CATCHING THE SMALLER, YOUNGER FISH THAT HAVE APPEARED IN RECENT YEARS. WE URGE THE NEW SARDINE INDUSTRY IN THE PACIFIC NORTHWEST TO EXERCISE SIMILAR RESTRAINT UNTIL FIELD RESEARCH DETERMINES THE RELATIONSHIP BETWEEN THOSE LARGE, FECUND NORTHERN SARDINES AND THE SPAWNING BIOMASS AS A WHOLE:
--ARE THESE FISH OF THE SAME STOCK AS THE CALIFORNIA POPULATION OR A SEPARATE SUB-STOCK?
--DO THESE FISH OVER-WINTER IN THE PACIFIC NORTHWEST?
--WHAT IS THE IMPACT OF INCREASING HARVEST OF THE MATURE NORTHERN FISH AT THIS TIME? THE MANAGEMENT TEAM ACKNOWLEDGES IT DOES NOT KNOW!

THESE ARE CRITICALLY IMPORTANT PIECES OF THE MANAGEMENT PUZZLE.
UNTIL BASELINE RESEARCH PROVIDES SOME ANSWERS, WE URGE THE COUNCIL TO CONSIDER THIS LACK OF KNOWLEDGE AS A PROXY FOR PRECAUTION.

IN YOUR DELIBERATIONS OVER LONG-TERM ALLOCATION, PLEASE ALSO CONSIDER THE INDICATORS PROVIDED IN THE LATEST STOCK ASSESSMENT:
--POPULATION GROWTH APPEARS TO HAVE LEVELED OFF;
--HARVEST GUIDELINE HAS DECLINED FOR THE PAST THREE YEARS RUNNING;
--WATER TEMPERATURE IS CLOSE TO THE TRIGGER THAT DROPS HARVEST RATE FROM 15% TO 5%.

PLEASE DO NOT ENCOURAGE FURTHER EXPANSION OF THE PACIFIC NORTHWEST FISHERY—ENCOURAGE OVERCAPITALIZATION -- WITHOUT FIRST DOING BASELINE RESEARCH ON THOSE STOCKS.

Regarding long-term allocation options provided and prioritized by the CPSAS, as we commented earlier, we feel serious discussion of long-term allocation is premature until research provides some answers. Addressing the laundry list of options provided by the CPSAS, we suggest the following options be sent forward for further analysis:

a. Status Quo – we support the status quo for the sardine fishery in the short term; however, we believe there may be better ways to manage the sardine resource – after scientists have gained better understanding of the northern sardine stock and its relationship to the southern spawning biomass. It's hard to predict now what that research will tell us.

b. Modify FMP language to provide flexibility for the NMFS-SWR administrator to modify sub-area quotas in-season (#7). We understand that this option might require specific criteria, e.g. economic hardship, which could be discussed at the next meeting of the CPS Advisory Subpanel.
We suggest that #6 – an "off the top" set-aside -- is similar in intent to the language in #7.

c. Change reallocation date to September 1 (#2) – as we noted earlier, we would support this change in the short-term, if additional language is added to open any unused reallocation to harvest by all areas on December 1, following the management decision made by the Department of Fish and Game in 1998.
We oppose changing the reallocation date to August 1, however, as this would encourage further expansion in the Pacific Northwest in the absence of research.

d. Implement three sub-quotas (#5)
Contrary to arguments advanced by Pacific northwest interests, we believe allocation continues to be appropriate and the <u>only</u> way to guarantee access to fish for each harvest region during its preferred fishing window. The 2002 season is case in point, as Monterey's fall season was curtailed for a short time. With a separate allocation, fishing could have continued in Monterey.
As the harvest guideline shrinks in future years, individual area allocations will become increasingly important to ensure equitable access to fish for each region. It seems logical to establish long-term management measures that consider the limited-entry fishery in California separately from the open access fishery in the Pacific Northwest—particularly in light of sardines' historical pattern, the northern fishery will disappear first.

We suggest that option #5 could be combined with #3, revise sub-area definitions, by establishing an allocation line at Pt. Arena. #4, change allocation percentages, also could be rolled into the analysis of #5 and #3, such that the "limited entry" fishery allocation would be adjusted to include Monterey.

We recognize that this is probably the most difficult suite of options to analyze, but as one management team member noted, the easiest option is likely not to be the best option for the sardine fishery.
We encourage the Council to ask the management team to analyze the suite of options encompassed by #3—move the line north, #5—implement three sub-quotas and #4—adjust allocation percentages to reflect the inclusion of Monterey in the limited-entry California fishery.

Implementing a line at Pt. Arena would provide a separate allocation for the "open-access" fishery in the Pacific Northwest and limited entry fishery in CA. Section 5.2 provides that "Nothing in this FMP precludes additional allocations based on other geographic areas ..."

Please note that although we suggest establishing an allocation line at Point Arena as part of a package of long-term options, we cannot support option #3b--simply moving the line to Point Arena and retaining the existing 1/3 vs. 2/3 allocation--until field research illuminates the relationship of the northern stock to the spawning biomass as a whole.

E. ELIMINATION OF ALLOCATION (COAST-WIDE QUOTA) (#8)
WE STRONGLY OPPOSE THIS OPTION FOR THE REASONS STATED EARLIER:
A COAST-WIDE QUOTA WILL RESULT IN A DERBY FISHERY, WILL ENCOURAGE FURTHER EXPANSION AND OVERCAPITALIZATION OF THE PACIFIC NORTHWEST FISHERY, AND WILL NOT GUARANTEE ACCESS TO FISH IN ANY AREA, INCLUDING MONTEREY. IN FACT, AS QUOTAS DECLINE TO LOWER LEVELS, THIS OPTION WOULD NOT ASSURE A FISHERY IN THE PACIFIC NORTHWEST, ASSUMING FISH WERE STILL IN THE AREA.
MOREOVER, INCREASING THE HARVEST OF LARGE SPAWNERS AT THIS TIME COULD PRECIPITATE OR HASTEN THE DECLINE OF THE SARDINE RESOURCE.

WE RE-EMPHASIZE OUR SUPPORT FOR THE MINORITY REPORT IN THE CPSAS STATEMENT TO THE COUNCIL, URGING THE COUNCIL TO EXERCISE PRECAUTION AT THIS TIME.

IN CLOSING WE AGAIN POINT OUT, THE FIRST NATIONAL STANDARD OF THE MAGNUSON ACT STATES: "CONSERVATION AND MANAGEMENT MEASURES SHALL PREVENT OVER-FISHING.... "
BIOLOGY COMES BEFORE ECONOMICS. HOW CAN YOU PREVENT OVER-FISHING BY ENCOURAGING EXPANSION OF A NEW FISHERY TARGETING MATURE SPAWNING STOCKS, WITHOUT BASELINE RESEARCH-CONSIDERING THE PROBABILITY THAT THE SARDINE POPULATION HAS ALREADY ENTERED A NATURAL DECLINE?

PLEASE SUPPORT THE NEED FOR EXPANDED RESEARCH NOW AND, IN THE MEANTIME, EXERCISE PRECAUTION. ONCE AGAIN, THANK YOU VERY MUCH FOR THIS OPPORTUNITY TO COMMENT.

SINCERELY,

Diane Pleschner-Steele

DIANE PLESCHNER-STEELE FOR
CALIFORNIA WETFISH PRODUCERS ASSOCIATION

CONSIDERATION OF LONG-TERM SARDINE HARVEST ALLOCATION

Situation: The Council is considering amending the allocation formula for the Pacific sardine harvest guideline. The coastal pelagic species (CPS) fishery management plan (FMP) states:

> 5.2.2 Formulas for Allocating Pacific Sardine
>
> The northern area allocation is 33% of the Pacific sardine harvest guideline, and the southern area allocation is 66% of the Pacific sardine harvest guideline. Nine months after the start of the fishing season, any uncaught portion of the harvest guideline will be totaled and reallocated with 50% of the total allocated to the northern area and 50% of the total allocated to the southern fishery area. Reallocation will be carried out by the NMFS Regional Administrator as an automatic measure as described in Section 2.1.

Concern has been expressed the current formula could result in premature closure of a subarea fishery and failure to fully achieve the optimum yield. This is, in part, due to the nature of the northern subarea fishery. Oregon and Washington fisheries typically peak in the summer each year while Monterey, California area fisheries typically peak in the fall. The formula, which reallocates the unused amount of the harvest guideline 50/50 on October 1 of each year, is meant to ensure full utilization of the available harvest.

However, the October 1 reallocation may, in some years, cause premature closure of the northen area fishery. For example, the expanding Oregon and Washington fisheries have the potential to fill the northern subarea quota prior to October 1, which would result in closure of the northern area fishery. This occurred in September 2002. Conversely, if the Monterey fishery starts early, with high landings, and the Pacific Northwest starts late or there is low availability of sardine, Oregon and Washington could be preempted.

For 2002, the Council recommended, and National Marine Fisheries Service (NMFS) took emergency action, to reallocate the unused portion of the sardine harvest guideline prior to October 1. This action allowed the northern subarea sardine fishery to re-open on September 26, 2002.

To address this issue for the long-term, the CPS Advisory Subpanel (CPSAS) developed a purpose statement and suite of alternative actions for amending the allocation formula. These were presented to the Council at the September Council meeting:

> The CPSAS agrees the purpose of the alternative actions proposed seek to achieve full utilization of the harvest guideline which has not occurred under the federal FMP.
>
> The CPSAS proposes the following allocation options should be forwarded to the Coastal Pelagic Species Management Team (CPSMT) for analysis:

1. Status quo.

2. Change only current reallocation date to –
   a. August 1; or
   b. September 1.

3. Change current subarea definitions –
   a. Revise subarea definitions; or
   b. change only current dividing line from Piedras Blancas to Pt. Arena.

4. Change current allocation percentages –
   a. Revise north/south allocation to some other fraction; or
   b. divide harvest guideline 50/50.

5. Implement three subquotas verses two.

6. Establish an "off-the-top" set-aside from the annual harvest guideline –
   a. Give discretion to NMFS Regional Administrator to reallocate annually from a set-aside based on certain criteria (i.e., social and/or economic hardship); or
   b. [Added by the Council] reallocation of the set-aside would be nondiscretionary. That is, in the event of early attainment of a subarea's portion of the harvest guideline, the set-aside would be automatically provided to the subarea.

7. Modify FMP language to establish an inseason adjustment mechanism to modify subarea quotas taking into account the harvest in the respective subareas.

8. Eliminate allocation entirely (coast-wide quota).

The Council directed the CPSMT to review the problem statement and management alternatives developed by the CPSAS. For the November Council meeting, the Council asked the CPSMT to report on the economic and biological issues that would need to be considered in analyzing the management alternatives, as well as an estimate on the amount of work the analysis could entail. The Council also requested the CPSMT report on ongoing and needed research on Pacific sardine distribution, stock structure, recruitment, etc. This information is intended to help the Council determine how to engage in and spur on coastal pelagic species-related research initiatives.

At this meeting, the CPSMT will report on their initial consideration of the management alternatives. NMFS will advise on the most appropriate process for revising the sardine allocation framework. Based on the information provided, the Council is scheduled to consider initiation of an FMP or regulatory amendment to address long-term allocation issues.

Council Action: Consider Need and Process for Long-Term Allocation Plan

Reference Materials:

1. Exhibit F.3.b, Supplemental CPSMT Report.
2. Exhibit F.3.d, Public Comment.

Agenda Order:

a. Agendum Overview — Dan Waldeck
b. Report of the Coastal Pelagic Species Management Team — Kevin Hill
c. Reports and Comments of Advisory Bodies
d. Public Comment
e. **Council Action**: Consider Need and Process for Long-Term Allocation Plan

PFMC
10/15/02

NATIONAL MARINE FISHERIES SERVICE VIEWS ON PROCESS REQUIREMENTS FOR CHANGING SARDINE ALLOCATION

The Coastal Pelagic Species (CPS) Fishery Management Plan (FMP) sets forth the current 1/3 north- 2/3 south Pacific sardine allocation with the October 1 reallocation in equal shares of unused Pacific sardine harvest guideline with the dividing line at Piedras Blancas. The FMP clearly contemplated there would be future consideration and likely adoption of changes in one or more of the allocation factors (shares, timing, dividing line). Section 2.1.4 lists factors to take into account when considering allocations; section 4.8.1 describes the procedure for annual specifications, including allocations. Section 5.2 establishes the allocation process for Pacific sardine but then provides that "Nothing in this FMP precludes additional allocations based on other geographic areas of other factors developed under the authority of this FMP." Thus, it apparently was expected the Pacific Fishery Management Council (Council) would revisit this topic as more experience and information were gained under the FMP.

National Marine Fisheries Service (NMFS) views adjustment of the allocation factors as an action that can be taken under the Socioeconomic Framework of the FMP (section 2.1.3). This essentially calls for two Council meetings with NMFS to determine the appropriate method of implementation, which would be notice and comment rulemaking (i.e., proposed and final rules). NOAA Fisheries believes that allocation issues are very important and thus do not fit well in "abbreviated rulemaking." Further, recent court decisions indicate that abbreviated rulemaking should be avoided. Therefore, notice and comment rulemaking would be used.

In the current situation, the process for adjusting the Pacific sardine allocation would be:

November 2002	Directions to team for analysis of options.
March 2003	First Council consideration of options; clear for public review.
April 2003	Final Council action and submission of documents to NOAA Fisheries.
May 2003	Proposed Rule published for public review.
July 2003	Final Rule published.
August 2003	Adjustment implemented (assuming approval).

This would provide for the new approach to be in place well before the end of the season. Note, however, that if the northern fishery accelerates its landings, there could still be a chance that its "allocation" would be taken before the new allocation is in place. This is not very likely.

Under this approach, the 2003 fishery would begin with the current allocation. Any change in the allocation could be implemented inseason through the final rule.

PFMC
10/29/02